

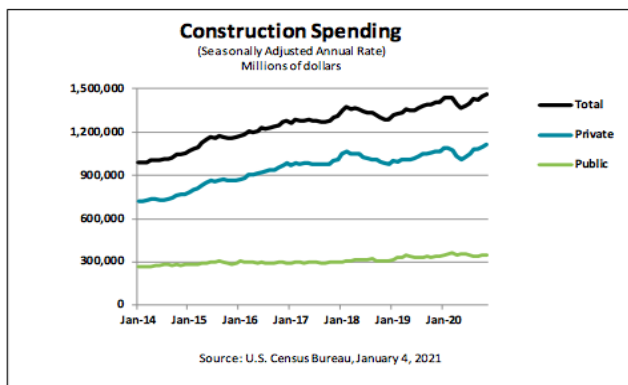
Construction spending and retail sales remain strong in November

Construction Spending Up

Construction spending is viewed as a good indicator of the economy's momentum because both individuals, businesses and our governments generally only put money into construction when they are confident to justify the building expenses (that might not be as true with respect to our local-, state- and federal-government, but that's another topic).

On January 4th, the U.S. Department of Commerce reported that:

- Total construction spending during November 2020 was up 0.9% from October
- The November 2020 figure is up 3.8% from November 2019
- During the first eleven months of this year, construction spending amounted to \$1,314.1 billion, 4.4% above the same period in 2019
- Spending on private construction in November was up 1.2% from October
- Residential construction was up 2.7%
- Nonresidential construction down 0.8%
- Public construction spending was down 0.2%
- Educational construction up 0.3%
- Highway construction was up 1.8%

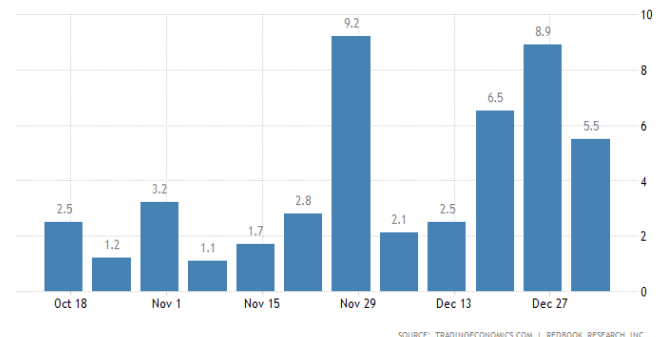


Retail Sales Remain Solid

The Johnson Redbook Index is a weekly retail sales index and is one of the most watched indicators on Wall Street. Created by independent trend-watcher Redbook and released every Tuesday morning, the Index allows Wall Street to better understand current trends in retail sales, which is important as consumer spending accounts for approximately 2/3 of the U.S. GDP.

Of course it is important to know that Redbook's data excludes categories that were severely impacted by COVID, including restaurants and auto dealers.

Based on the release from January 5th, the Johnson Redbook Index supports the notion that retail sales remain strong, especially after the holiday spending season that is so important to retailers.



Redbook's same-store sales index for the week of January 2nd showed a 5.5% year-over-year growth versus a crazily high 8.9% year-over-year growth the week before and a 6.5% year-over-year growth from two weeks ago.

These weekly numbers bode well and are causing analysts to reevaluate their projections for total retail sales in the month of December – a report scheduled to be released in about two weeks.

More Data Later in the Week

More economic data will be released later this week, including the ISM Services Index on Thursday and the Employment Situation Report on Friday.

Sources: [census.gov](https://www.census.gov/); [redbookresearch.com](https://www.redbookresearch.com/)