Financial Markets & Economic Update by Dorothy Jaworski

First Quarter 2022

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Winter Squalls

It's mid-February and I'm watching a snow squall outside, reminding me that it can be bright and sunny one moment and turbulent the next. As we try to navigate our way through this volatile time in the markets and in the economy, we seem to get surprised almost daily by large moves in the stock markets, already in correction territory, in the bond markets with rapid interest rate increases, in the highest inflation in 40 years, and in the tense situation surrounding Russia and Ukraine. And I don't mean to sound downbeat, but the Federal Reserve is about to raise interest rates amid an economy that is already showing cracks.

The economy seems to be slowing, despite glowing reports like the +6.9% growth in real GDP in the fourth quarter, strong payroll growth in January with the unemployment rate at 4%, and inventory building that could be the first step in solving supply chain issues. In fact, inventories accounted for +5.0% of the +6.9% GDP growth, leaving only +1.9% in real final sales, which is very weak compared to +8% to +9% in the first two quarters of 2021. Many businesses are seeing labor shortages, as we are still several million payrolls short of where we were in early 2020. Inflation may be a large culprit in slowing growth as people cut back on discretionary items to be able to afford the necessities of life - food, gas, electricity, etc.

Stock and bond market volatilities are also seeing winter squalls and are sending messages about shifting investor sentiments about risk. The Fed is about to embark on another tightening campaign and will raise short-term interest rates starting in March and will likely make moves faster than most investors expect. They will have ended their bond purchase program and will shift in a few months to letting their massive assets (currently close to $9 trillion) begin to run off. Investors have seen this movie before and are fearful of recession in 2023 or 2024. Credit spreads have begun to widen. At the same time as Fed tightening, the fiscal policy of handing out "free money" has apparently ended and the consequential explosion of demand will abate. They have to stop; our Treasury debt is massive at over $30 trillion. People know the "free money" and easy Fed policy were certainly not "free" and they are paying the price with inflation.

Interest rates have risen dramatically since the beginning of 2022, with the 2 year Treasury up .76% and the 10 year Treasury up .42%. With inflation so high, we have negative real yields, which means over time good returns on investment are difficult to attain, so we may see cuts in business investment. Interest rates also seem distorted compared to equity returns, with the 10 year Treasury at 1.92% and the S&P 500 forward dividend yield at 1.57%. Shouldn't these be the other way around? As rates have risen, the yield curve has flattened, with long-term points of it inverted (20 year and 30 year). Flat and inverted yield curves are not a good sign before the Fed even raises rates once.

As mentioned earlier, consumer spending likely will slow as excess demand fades. The old misery index, defined as unemployment plus CPI inflation, tells the story of everyday living. The index is currently at 11.5% in January (4% plus 7.5%), which is the highest since 10.4% in May, 2012, but not near the all-time high of 22.0% in June, 1980. Oil is above $90 per barrel and gas prices are above $3.80 per gallon. Consumers may reach a "tipping point" where they cut spending dramatically because of their anger at energy prices getting too high.

Finally, the index of leading economic indicators fell by -.3% in January, which was the first monthly decline since the beginning of 2021. It portends slowing growth six to nine months from now. Fed policy also works with a lag of six to nine months. The end of 2022 could be very interesting from all angles, including the federal mid-term elections, and may still be full of winter squalls.

Real GDP

We just experienced one of our strongest GDP growth quarters, with real GDP at +6.9% in the fourth quarter of 2021. Inventory building accounted for the vast majority of that growth, or +5.0%. Real final sales grew only +1.9%, which is weak, and followed only +.1% in the third quarter. GDP for all of 2021 was +5.7%, following a year of decline in 2020 of -3.4% due to Covid-19 lockdowns.

Too much stimulus from the federal government drove demand too high in 2021. Nominal GDP was +10.6% in the first quarter and grew to +13.9% in the fourth quarter as consumers shifted to buying goods rather than services, and supplies could not keep up. We've heard all about the supply chain issues - from manufacturing to distribution- from cargo ships to trucking. The federal stimulus also drove our national debt levels to over $30 trillion, or 123.4% of GDP. As we learned during the expansionary decade of 2010 to 2020, GDP greater than 90% for several years will lower GDP by one-third. Growth only averaged +2.2% during that time, albeit with the bonus of low inflation.

Consumer spending, which represents about two-thirds of the economy, is already weakening as excess demand fades. Consumer confidence is at relatively low levels, mostly attributed to the inflation shock. Prospects for growth this year are decent at +3.8% GDP and most estimates project lower growth of +2.5% in 2023, which is back to the lower equilibrium growth rate of just over 2%. Can the Fed carefully engineer the slowing of growth without risking recession? We shall see how aggressive their tightening campaign is.

Inflation

Oh, the monster! Oh, the misery! We all hate inflation. The prices of just about everything that matters to us are rising- food, energy, medical care, housing and rent, new and used cars, electricity, clothing…the list can go on. The CPI started 2021 at +1.4% to +1.7%, rose to +5.4% by mid-year, and ended December at +7.3%. January rose again to +7.5%. Inflation has eroded spending power with real incomes dropping -4% by the end of 2021, even though wages were rising +4.5% year-over-year. The Fed started out saying inflation was "transitory" but had to admit later it was "persistent." Now we will see if the Fed can keep it from becoming "sustained," with wage inflation from tight labor markets filtering into the prices of all goods and services.

Inventories of existing homes has been extremely tight, at 1.6 months' worth of sales in January, driving recent year-over-year prices on homes up +17.5% to +18.5%. Higher mortgage rates will undoubtedly reduce demand, with 30 year mortgage rates now above 4% reducing affordability. CoreLogic expects price increases to decline to +3% to +10% during 2022.

We scream at how bad inflation is when it is at its worst. There are some clues that inflation may stop rising or recede soon, as supply chains get repaired and more goods flow. We saw inventory building of a huge scale in the fourth quarter, so a surplus of goods, at a time when demand is declining, is not a prescription for higher prices. Backlogs are declining in a sign that goods orders are being met. The flood of government stimulus has faded and the declining budget deficit to GDP, from 5% in 2020 to less than 1% now, points to lower inflation in the year ahead.

Productivity has been on the rise, with capital investment in technology and machines, and may serve to keep unit labor costs in check and profit margins stable. The dollar has been strong, keeping import prices lower than they otherwise would have been.

Inflationary expectations built into the Treasury market show inflation declining over time: 2 years at 3.55%, 5 years at 2.93%, and 10 years at 2.50%. if the markets thought inflation would be 7% or higher, yields would already be there. Even Larry Summers, one of our nation's biggest inflation hawks, thinks CPI will fall back some to 4% this year.

Supply Chains and Labor Shortages

They are connected. The huge increase in demand exposed the flaws in our systems. Delivery issues, especially from ocean freight and port back-ups, left many manufacturers short of goods to run production lines and store shelves were left bare. Labor shortages also played a key role. Spikes in new Covid-19 variants led to record high employee absences. But workers are still leaving the labor force from the Great Resignation, retirements, child care issues or costs, burnout and work-life balance, or starting their own small businesses.

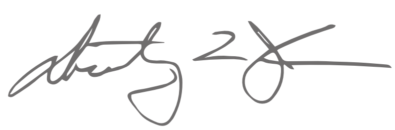
The unemployment rate is down to 4%, but we are only at 87% of pre-pandemic worker levels and are missing 2.9 million people. The pool of available workers is at 12.217 million in January, which is 2 million higher than in early 2020. Yet, mysteriously, we are still short workers.

The Fed

We are entering another cycle of Fed tightening. They will be raising the Fed Funds rate starting in March and are likely to raise it a total of four to five times (.25% each) by the end of 2022. They met their objective of getting unemployment back to full employment, estimated at 3.5% to 4.3%, and now they must tighten against the highest inflation in 40 years of +7.5% and the tight-est labor market in terms of wages increases in a decade, at +5.7% in January.

Market interest rates have risen in anticipation of Fed tightening. In just six weeks, the 2 year Treasury is up .76%, the 5 year is up .40% and the 10 year is up .42%. Both 15 and 30 year mortgage rates are up even more at +.80%. The Fed is very happy to have the markets do some of their job for them. Remember that Fed policy operates with a lag. By the end of 2022, we should see the economy slowing and hopefully inflation receding.

Finally, all of you Phillips Curvers are rejoicing right now. After 10 years of warning us that low unemployment leads to high inflation, you have finally gotten your moment of Schadenfreude! Enjoy and thanks for reading!



Dorothy Jaworski
Senior Vice President
Director of Treasury & Risk Management

Inflationary Expectations That Are Built into the Markets:

Treasury Inflation Expectations:	31-Dec-15	31-Dec-16	31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21
10-year Treasury Yield	2.27%	2.44%	2.40%	2.68%	1.92%	0.91%	1.50%
10-year Treasury TIPS Yield	0.71%	0.50%	0.45%	0.97%	0.13%	-1.09%	-1.12%
Implied Inflationary Expectation	1.56%	1.94%	1.95%	1.71%	1.79%	2.00%	2.62%

Following Are Our Clues as to Whether the Fed Will Ease or Keep Interest Rates Low:

	Dec-15	Dec-16	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21
1) moderating inflationary expectations/leading indicators	yes	mixed	mixed	yes	yes	mixed	no
2) any meaningful rise in unemployment or loss of jobs	no	no	no	no	no	yes	no
3) moderating labor costs	yes	yes	mixed	no	yes	yes	no
4) decent productivity growth	no	no	no	no	no	no	no
5) economic growth that slips below 2%-2.5% potential	yes	yes	yes	no	no	yes	mixed
6) a financial market crisis of some type	no	no	no	mixed	no	yes-virus	yes-virus
7) housing (existing homes) weak- inventory>6 mos	no-4.8mo	no-4.0mo	no-3.2mo	no-3.9mo	no-3.7mo	no-1.9mo	no-1.7mo
8) statements by the Fed promising easing/low rts	no-raised rts	no-raised rts	no-raising rts	no-raising rts	no-neutral	yes	no-QE taper

Housing Market Indices:

- CaseShiller 20 City Index Nov yoy +18.3%, Oct yoy +18.5%, Sep yoy +19.2%, Aug yoy +19.7%; index at new high vs Jul, 2006 peak; +110.7% from Mar, 2012 low
- FHFA Index Nov yoy +17.5%, Oct yoy +17.4%, Sep yoy +17.8%, Aug yoy +18.5%; index at new high vs Apr, 2007 peak; +104.2% from Mar, 2011 low
- CoreLogic Home Px Index Dec yoy +18.5%, Nov yoy +18.1%, Oct yoy +18.0%, Sep yoy +18.0%; index at new high vs Apr, 2006 peak; +107.0% from Mar, 2011 low

Fed Z.1 HH NetWorth:

4Q015 $89.7 trill; 4Q16 $94.8 trill; 4Q17 $103.5 trill; 4Q18 $104.3 trill; 4Q19 $116.8 trill; 4Q20 $130.9 trill; 3Q21 $144.7 trillion

Penn Community Bank Rate & Market History:

Bond Market Yields:		31-Dec-15	31-Dec-16	31-Dec-17	31-Dec-18	31-Dec-19	31-Dec-20	31-Dec-21	Change 2020 12/20 vs 12/19	Change 2021 12/21 vs 12/20
Treasuries:	3 month	0.15%	0.50%	1.38%	2.45%	1.54%	0.06%	0.03%	-1.48%	-0.03%
	6 month	0.46%	0.61%	1.53%	2.55%	1.58%	0.08%	0.18%	-1.50%	0.10%
	1 year	0.58%	0.81%	1.73%	2.62%	1.57%	0.10%	0.37%	-1.47%	0.27%
	2 year	1.06%	1.19%	1.88%	2.49%	1.57%	0.12%	0.72%	-1.45%	0.60%
	3 year	1.33%	1.45%	1.97%	2.46%	1.61%	0.17%	0.95%	-1.44%	0.78%
	5 year	1.77%	1.93%	2.21%	2.51%	1.69%	0.36%	1.25%	-1.33%	0.89%
	10 year	2.27%	2.44%	2.40%	2.68%	1.92%	0.91%	1.50%	-1.01%	0.59%
	30 year	3.02%	3.06%	2.74%	3.01%	2.39%	1.65%	1.91%	-0.74%	0.26%
Fed Funds Target Rate (average):		0.38%	0.63%	1.38%	2.38%	1.63%	0.13%	0.13%	-1.50%	0.00%
LIBOR Rates:	1 month	0.43%	0.77%	1.57%	2.52%	1.78%	0.14%	0.10%	-1.64%	-0.04%
	3 month	0.61%	1.00%	1.69%	2.80%	1.91%	0.24%	0.21%	-1.67%	-0.03%
	6 month	0.84%	1.32%	1.84%	2.87%	1.91%	0.26%	0.34%	-1.65%	0.08%
	12 month	1.17%	1.69%	2.11%	3.01%	2.00%	0.34%	0.58%	-1.66%	0.24%
FNMA Mortgage Posted Yields (30 day):										
	15 year	2.77%	2.90%	2.92%	3.53%	2.66%	1.34%	1.86%	-1.32%	0.52%
	30 year	3.58%	3.68%	3.51%	4.12%	3.29%	1.91%	2.63%	-1.38%	0.72%
Indicative Treasury yield curve spreads:										
	2 year minus 3 month	0.91%	0.69%	0.50%	0.04%	0.03%	0.06%	0.69%	0.03%	0.63%
	5 year minus 2 year	0.71%	0.74%	0.33%	0.02%	0.12%	0.24%	0.53%	0.12%	0.29%
	10 year minus 3 month	2.12%	1.94%	1.02%	0.23%	0.38%	0.85%	1.47%	0.47%	0.62%
	10 year minus 2 year	1.21%	1.25%	0.52%	0.19%	0.35%	0.79%	0.78%	0.44%	-0.01%
Indicative FNMA mortgage posted yield spreads:										
	15 year minus 5 year Treas	1.00%	0.97%	0.71%	1.02%	0.97%	0.98%	0.61%	0.01%	-0.37%
	30 year minus 10 year Treas	1.31%	1.24%	1.11%	1.44%	1.37%	1.00%	1.13%	-0.37%	0.13%
Stock Market Indices:										
	Dow Jones	17,425.03	19,762.60	24,719.22	23,327.46	28,538.44	30,606.48	36,338.30	2,068.04	5,731.82
	S&P 500	2,043.94	2,238.83	2,673.61	2,506.85	3,230.78	3,756.07	4,766.18	525.29	1,010.11
	Nasdaq	5,007.41	5,383.12	6,903.39	6,635.28	8,972.60	12,888.28	15,644.97	3,915.68	2,756.69

Selected Economic Data Releases
(in about the past month) which show:

Strength & Tendency Toward Higher Rates

- Unemployment Rate Jan 4.0%, Dec 3.9%, Nov 4.2%, Oct 4.6%, Sep 4.7%
- Bucks Co Unemployment Rate Dec 3.3%, Nov 3.6%, Oct 4.1% Sep 4.5%, Aug 5.7%
- Montgomery Co Unempl Rate Dec 3.0%, Nov 3.4%, Oct 4.0%, Sep 4.3%, Aug 5.3%
- Payroll Employment Jan +467,000, Dec +510,000, Nov +647,000, Oct +677,000
- Private Co Payrolls Jan +444,000, Dec +503,000, Nov +627,000, Oct +423,000
- Household Employment Jan +1,199,000, Dec +651,000, Nov +1,090,000, Oct +428,000
- Job Leavers Jan 14.5%, Dec 11.4%, Nov 12.3%, Oct 11.6%, Sep 10.5%
- Civilian Labor Force Jan +1,393,000, Dec +168,000, Nov +516,000, Oct +131,000
- Those Not in Labor Force Jan -326,000, Dec -60,000, Nov -396,000, Oct +4,000
- Labor Force Participation Rate Jan 62.2%, Dec 61.9%, Nov 61.9%, Oct 61.7%, Sep 61.7%
- Average Workweek Jan 34.5, Dec 34.7, Nov 34.8, Oct 34.8, Sep 34.8 hrs
- Ave Hourly Earnings Jan $31.63, Dec $31.40, Nov $31.23, Oct $31.11; yoy +5.7%
- Challenger Report Layoffs Jan 19,064, Dec 19,052, Nov 14,875, Oct 22,822
- Employees Working-at-Home 3Q21 24.0%, 2Q21 21.0%, 1Q21 20.9%, 4Q20 21.8%
- Job Openings JOLTs Dec 10.925mln, Nov 10.775mln, Oct 11.091mln, Sep 10.602mln
- Job Openings Rate Dec 6.8%, Nov 6.8%, Oct 7.0%, Sep 6.7%, Aug 6.7%
- Quit Rate Dec 2.9%, Nov 3.0%, Oct 2.8%, Sep 3.0%, Aug 2.9%
- Real GDP 4Q21 +6.9%, 3Q21 +2.3%, 2Q21 +6.7%, 1Q21 +6.3%, 4Q20 +4.5%
- Real GDP 2021 +5.7%, 2020 -3.4%, 2019 +2.3%, 2018 +2.9%, 2017 +2.3%
- Nominal GDP 4Q21 +13.9%, 3Q21 +8.2%, 2Q21 +12.9%, 1Q21 +10.6%, 4Q20 +5.3%
- GDP PxDeflator 4Q21 +7.0%, 3Q21 +5.9%, 2Q21 +6.2%, 1Q21 +4.3%, 4Q20 +1.9%
- InvChgGDP 4Q21 +$173.5bill, 3Q21 -$66.8bill, 2Q21 -$168.5bill, 1Q21 -$88.3billion
- Core PCE 4Q21 +4.9%, 3Q21 +4.6%, 2Q21 +6.1%, 1Q21 +2.7%, 4Q20 +1.2%
- Corp Profits 3Q21 +4.3%, 2Q21 +10.5%, 1Q21 +5.1%, 4Q20 -.3%, 3Q20 +25.4%
- Corp Profits 2020 no chg, 2019 +2.2%, 2018 +7.5%, 2017 +3.2%, 2016 -.1%
- Retail Sales Jan +3.8%, Dec -2.5%, Nov +.7%, Oct +1.8%, Sep +.7%
- Consumer Confidence Jan 113.8, Dec 115.2, Nov 111.9, Oct 111.6, Sep 109.8
- PPI Jan +1.0%, core +.8%, yoy +9.7%, core +8.3%
- CPI Jan +.6%, core +.6%; yoy +7.5%, core +6.0%
- Import Prices Jan +2.0%, Dec -.4%, Nov +.7%, Oct +1.5%, Sep +.5%
- Agriculture Prices Dec +3.5%, Nov +1.9%, Oct -1.7%, Sep -.7%, Aug +2.3%
- HHNW 3Q21 $144.7trill, 2Q21 $141.7trill, 1Q21 $135.8trill, 4Q20 $130.9trillion
- Personal Income Dec +3%, Nov +.5%, Oct +.6%, Sep -1.0%, Aug +.3%
- Consumer Credit Dec +$18.99bill, Nov +$38.82bill, Oct +$16.01bill, Sep +$29.91billion
- Personal Savings Rate Dec 7.9%, Nov 7.2%, Oct 7.1%, Sep 8.1%, Aug 9.8%
- CoreLogic Home Px Dec yoy +18.5%, Nov yoy +18.1%; +108.0% from low
- FHFA Home Px Nov yoy +17.5%, Oct yoy +17.4%; from low +104.2%
- Case Shiller 10 City Nov yoy +16.8%, Oct yoy +17.2%, Sep yoy +17.9%
- Case Shiller 10 City Nov new high, +101.6% from low
- Case Shiller 20 City Nov yoy +18.3%, Oct yoy +18.5%, Sep yoy +19.2%
- Case Shiller 20 City Nov new high, +110.7% from low
- NAHB/Wells Homebuilder Index Jan 83, Dec 84, Nov 83, Oct 80, Sep 76, Aug 75
- Existing Home Sales Jan +6.7%, Dec -3.8%, Nov +2.3%, Oct +.2%; annual 6.5 million
- Median Sales Price Existing Homes Jan $350,300; yoy +15.4%
- Inventory Unsold Existing Jan 1.6mos, Dec 1.7mos, Nov 2.1mos, Oct 2.4mos
- New Home Sales Dec +11.9%, Nov +11.7%, Oct -10.5%; annual 811,000
- Median Sales Price New Homes Dec $377,700; yoy +3.4%
- Inventory Unsold New Homes Dec 6.0mos, Nov 6.6mos, Oct 7.2mos, Sep 6.3mos
- Building Permits Jan +.7%, Dec +9.8%, Nov +3.9%, Oct +4.0%; annual 1,899,000
- Construction Spending Dec +.2%, Nov +.6%, Oct +.4%, Sep -.1%, Aug +.1%
- Business Sales Nov +.7%, Oct +2.2%; Inventories Nov +1.3%, Oct +1.3%
- Industrial Production Jan +1.4%, Dec -.1%, Nov +.9%, Oct +1.4%, Sep -1.3%
- NFIB Small Business Optimism Jan 97.1, Dec 98.9, Nov 98.4, Oct 98.2, Sep 99.1
- ISM Index Jan 57.6, Dec 58.8, Nov 60.6, Oct 60.8, Sep 60.5, Aug 59.9
- ISM Prices Pd Jan 76.1, Dec 68.2, Nov 82.4, Oct 85.7, Sep 81.2, Aug 79.4
- ISM Backlogs Jan 56.4, Dec 62.8, Nov 61.9, Oct 63.6, Sep 64.8, Aug 68.2
- ISM Services Index Jan 59.9, Dec 62.3, Nov 68.4, Oct 66.7, Sep 62.6, Aug 61.7
- ISM Services Prices Pd Jan 82.3, Dec 83.9, Nov 83.0, Oct 83.0, Sep 79.5, Aug 75.4
- ISM Services Backlogs Jan 57.4, Dec 62.3, Nov 65.9, Oct 67.3, Sep 61.9, Aug 61.3
- Philly Fed Prices Pd Feb 69.3, Jan 72.5, Dec 66.1, Nov 80.0, Oct 70.3, Sep 67.3
- Philly Fed Services Index Jan 2.6, Dec 27.3, Nov 47.0, Oct 34.3, Sep 21.9, Aug 37.2
- Philly Fed Services Prices Pd Jan 63.0, Dec 50.8, Nov 64.6, Oct 65.5, Sep 51.5, Aug 50.1
- Bankruptcy Filings yoy 4Q21 -17.7%, 3Q21 -21.0%, 2Q21 -8.1%, 1Q21 -39.6%
- Factory Backlogs Dec +.5%, Nov +.8%, Oct +.3%, Sep +.7%, Aug +.9%
- CoStar Com'l Prop GC Dec +1.4%, Nov +1.3%, Oct +1.4%, Sep +.5%, Aug +1.3%
- CoStar Com'l Prop GC yoy Dec +14.5%, Nov +12.9%, Oct +12.7%, Sep +13.6%
- Vehicle Sales Wards Jan 15.04mln, Dec 12.44mln, Nov 12.86mln, Oct 12.99mln
- Vehicle Sales 2020= 16.30mln, 2019= 16.97mln, 2018= 17.21mln, 2017= 17.14mln
- Moody's Beige Book Index Jan 163.9, Dec 180.6, Oct 194.4, Sep 202.8, Jul 198.6
- DXY Dollar Index 12/31/21= 95.67, 12/31/20= 89.94, 12/31/19=96.39, 12/31/18=96.17
- Gas AAA 02/14/22=$3.84, 12/31/21=$3.40, 12/31/20=$2.56, 12/31/19=$2.58
- Crude Oil 12/31/21= $75.21, 12/31/20= $48.52, 12/31/19=$61.77, 12/31/18=$45.41
- CRB Index 12/31/21= 232.37, 12/31/20= 178.12, 12/31/19=186.92, 12/31/18=169.80

Weakness & Tendency Toward Lower Rates

- Augmented Unemployment Rate Jan 7.2%, Dec 7.2%, Nov 7.5%, Oct 7.9%, Sep 8.1%
- ADP Payrolls Jan -301,000, Dec +776,000, Nov +496,000, Oct +563,000
- Pool of Available Workers Jan 12.217mln, Dec 12.032mln, Nov 12.621mln, Oct 13.310mln
- Unemployed Persons Jan +194,000, Dec -483,000, Nov -573,000, Oct -291,000
- Employment Cost Index 4Q21 +1.0%, 3Q21 +1.3%, 2Q21 +.7%, 1Q21 +.9%, 4Q20 +.7%
- Leading Economic Indics Jan -.3%, Dec +.7%, Nov +.7%, Oct +.6%, Sep +.2%
- LEI 6 mo diffusion Jan 70, Dec 80, Nov 70, Oct 60, Sep 55, Aug 70
- Real Final Sales 4Q21 +1.9%, 3Q21 +.1%, 2Q21 +8.1%, 1Q21 +9.1%, 4Q20 +3.4%
- FIBER Leading Inflation Index Dec 91.7, Nov 92.7, Oct 92.5, Sep 91.3, Aug 91.1
- FIBER Leading Infl yoy Dec +5.2%, Nov +8.9%, Oct +9.9%, Sep +9.3%, Aug +10.2%
- Personal Spending Dec -1.0%, Nov -.2%, Oct +.9%, Sep +.3%, Aug +.7%
- US Govt Budget Deficit Jan sur $118.7bill, Dec -$21.3bill, Nov -$191.3bill, Oct -$165.1billion
- US Govt Budget Deficit fiscal 2021= -$2.77 trill, 2020= -$3.1 trill, 2019= -$984.0 billion
- Nat'l Debt/GDP 4Q21 123.4%, 3Q21 122.6%, 2Q21 125.5%, 1Q21 128.0%, 4Q20 127.0%
- Trade Deficit Dec -$80.7bill, Nov -$79.3bill, Oct -$66.5bill, Sep -$80.9 billion
- Velocity of M2 4Q21 1.12, 3Q21 1.12, 2Q21 1.12, 1Q21 1.12, 4Q20 1.13, 4Q19 1.42
- Pending Home Sales NAR Dec -3.8%, Nov -2.3%, Oct +7.5%, Sep -2.4%, Aug +8.1%
- Housing Starts Jan -4.1%, Dec +.3%, Nov +9.7%, Oct -.7%; annual 1,638,000
- Homeownership Rate 4Q21 65.5%, 3Q21 65.4%, 2Q21 65.4%, 1Q21 65.6%, 4Q20 65.8%
- CoreLogic Negative Equity 3Q21 2.1% 1.2 mln; 2Q21 2.3% 1.2 mln; 1Q21 2.6% 1.4 mln
- MBA 90+ Delinq 4Q21 4.65%, 3Q21 4.88%, 2Q21 5.47%, 1Q21 6.38%, 4Q20 6.73%
- Moody's CMBS Delinq 60+days Dec 5.24%, Nov 5.33%, Oct 5.66%, Sep 6.03%, Aug 6.22%
- St. Louis Fin'l Stress Index Jan -.43, Dec -.82, Nov -.64, Oct -1.01, Sep -.8, Aug -.83
- NonFarm Productivity 4Q21 +6.6%, 3Q21 -5.0%, 2Q21 +2.4%, 1Q21 +4.3%, 4Q20 -3.4%
- NonFarm Productivity annual 2021 +1.9%, 2020 +2.4%, 2019 +2.0%, 2018 +1.5%
- Unit Labor Costs 4Q21 +.3%, 3Q21 +9.3%, 2Q21 +5.9%, 1Q21 -2.8%, 4Q20 +13.3%
- Unit Labor Costs annual 2021 +3.3%, 2020 +4.5%, 2019 +1.8%, 2018 +1.9%
- Manufacturing Production Jan +.2%, Dec -.1%, Nov +.7%, Oct +1.7%, Sep -.7%
- Capacity Utilization % Jan 77.6, Dec 76.6, Nov 76.7, Oct 76.1, Sep 75.2
- Moody's Risk of Recession Nov 20.7%, Oct 16.0%, Sep 13.1%, Aug 14.0%
- Moody's CNN Back-to-Normal Index Jan 88.9, Dec 86.8, Nov 96.4, Oct 93.5, Sep 92.4
- Cass Trucking Shipments Jan -10.8%, Dec +.2%, Nov +1.4%, Oct +.4%, Sep -4.1%
- Empire St NY Fed Index Feb 3.1, Jan -.7, Dec 31.9, Nov 30.9, Oct 19.8, Sep 34.3
- Philly Fed Index Feb 16.0, Jan 23.2, Dec 15.4, Nov 39.0, Oct 23.8, Sep 30.7
- Philly Fed Backlogs Feb 15.8, Jan 23.5, Dec 11.4, Nov 27.4, Oct 12.7, Sep 5.4
- Philly Fed Services Backlogs Jan 10.8, Dec 14.0, Nov 11.9, Oct 17.1, Sep 8.8, Aug 13.0
- Factory Orders Dec -.4%, Nov +1.8%, Oct +1.2%, Sep +.5%, Aug +1.0%
- Durable Goods Orders Dec -.7%, Nov +3.2%, Oct +.1%, Sep -.4%, Aug +1.3%
- FDIC Problem Banks 3Q21= 46, 2Q21= 51, 1Q21= 55, 4Q20= 56, 3Q20= 56

Our Mission

Penn Community Bank is committed to helping local residents, businesses and nonprofits achieve their financial goals, and to taking an active role in contributing to the overall prosperity of our communities.

Guided by our core values of integrity, transparency, service, and independence, we work to:

- Help businesses grow and prosper,
- Provide financial resources that meet the needs of individuals and families throughout their lifetimes,
- Strengthen our local economy,
- Partner with local organizations to improve quality of life,
- Operate for long-term success to ensure the continued strength and stability of our financial organization.

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Penn Community Bank® Here We Grow.