



Basis Points – January 5, 2021

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Above the Fold

Still on Track for a (Delayed) Snapback

Now that 2020 is officially over, many consumers are wondering what's in store for the new year. When will things get back to normal? The answer, unfortunately, is complicated and pitted with caveats. The good news is that market analysts and economists both see reason for optimism, despite less than stellar current data and news flow.

It's no secret that the United States is experiencing another surge in COVID-19 cases, along with health care system strains in many states. Compounded by renewed shutdowns in several major metro areas, continued social distancing and travel restrictions, the new year hasn't delivered much of a positive surprise, yet.

And while the economy is recovering, the labor market's comeback has been slowing, giving pause to hopes of a quick V-shaped bounceback. According to a recent Wall Street Journal [survey](#), forecasters did indeed cut first quarter economic growth estimates, but increased their estimates for the following quarters. Simply put, the recovery is likely to be more of a "U" than a "V," as the vaccine rollout and government stimulus, along with pent-up savings and travel demand, likely start to gain traction in the spring, building into the back half of the year. Goldman Sachs and Moody's currently see U.S. gross domestic product annual growth of 5.8% and 4.2%, respectively, in 2021. Most seem to believe that even if our economy springs back sooner than later, it is probable that this recovery will look and feel different than usual.

Three Things

1. *Hulu's Streaming Lineup Gets a Big Content Boost* – Walt Disney owned Hulu just struck a distribution deal with ViacomCBS Inc. to add 14 former cable networks to Hulu's live-TV-streaming service. The agreement includes popular brands like Comedy Central, MTV, Nickelodeon and others. ViacomCBS believes that these distribution deals help keep its brands relevant as the industry consolidates.
2. *Tesla Sales Show Little Pandemic Impact* – If not for a temporary shutdown of its only manufacturing facility, Tesla would have likely hit its half-million vehicle sales goal. The company fell just shy of its target with 499,550 electric cars delivered in 2020, up from 367,500 the year prior. The deliveries topped analysts' consensus estimates for 493,000, and the company actually produced 509,737 vehicles in total last year. Founder Elon Musk called the figures a "major milestone" in the company's growth.
3. *The Alphabet Union Is Coming* – With over 120,000 workers, Google parent Alphabet is a massive and powerful company. In an effort to ensure corporate fairness, balance, ethical conduct and other objectives, a group of employees announced plans to unionize. The new Alphabet Workers Union will fall under CWA Local 1400, part of the Campaign to Organize Digital Employees or CODE.

Did You Know?

The Babe Was Sold Today!

On Jan. 5, 1920, the Boston Red Sox "sold" George Herman "Babe" Ruth for \$125,000 in cash and roughly \$300,000 in loans — about \$5.53 million in today's dollars. Ruth was initially offered \$10,000 per year in salary, but quickly renegotiated those terms after moving to New York. The deal was an absolute success as Ruth broke his home run record in 1920, hitting 54 homers. He bested that record again in 1921 with 59 home runs. His popularity generated enough revenue for the team to build Yankee Stadium in 1923, which became known as "the house that Ruth built." After Babe's sale, the Red Sox went 84 years without a World Series win.

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