



Basis Points – September 16, 2021

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Above the Fold

Yields Fall on Inflation Data

Investors are closely watching inflation data both to gauge consumer prices, but more importantly, to get a read on just how accommodative the Federal Reserve (Fed) will remain. Traders got a bit of relief as a recent report revealed a cooler-than-expected read on consumer prices in August. The data sent 10-year U.S. government bond yields lower early in the week. The 10-year note is a key benchmark used to set borrowing costs on everything from mortgages and auto loans to corporate debt. Yields on the 10-year slid down to 1.276% Tuesday, bouncing modestly to 1.304% yesterday. Yields fall when bond prices rise and vice-versa.

Bond investors have been concerned that hotter-than-expected inflation data would trigger the Fed to raise rates quicker than expected. This action would be detrimental to bond prices, sending yields higher. Bond yields seem to have stabilized since the pandemic, with the 10-year remaining in a fairly tight range below 1.5%. As it stands now, we see continued moderation in growth and consumer prices, which should keep the Fed's monetary trajectory fairly constant. In other words, treasury yields should also remain somewhat stable for the rest of 2021.

Three Things

1. *Yes, Amazon Is Still Hiring at a Breakneck Pace* – After adding hundreds of thousands of new employees during its pandemic boom, the digital giant is set to bring on another 125,000 workers and open dozens of new facilities across the country. Amazon has opened a total of 250 warehouse operations so far this year and is targeting another 100 before the month of September ends. Amazon's minimum wage is \$15, with an after pay rate for warehouse workers of \$18.32 an hour.
2. *Lawmakers to Launch Instagram Probe* – Facebook-owned Instagram is facing a congressional probe related to the platform's potential to harm young people. According to the Wall Street Journal, corporate insiders were [aware](#) of severe mental trauma experienced by teen girls who use the software. For the last three years, Facebook has been conducting studies on how its photo-sharing app affects users. The results showed a clear link between the app and user depression, anxiety and body dysmorphia, but investigators allege Facebook has done little to help.
3. *Corporate Trio to Start Robo-Delivery Services* – Ford, Walmart and AI software developer Argo will begin testing a fully autonomous delivery service. Customers located in Austin, Miami and Washington, D.C. who order from Walmart online may be eligible for robo-delivery by a Ford/Argo vehicle. Until the system is proven safe, human monitors will have to sit in the vehicle and also monitor its progress from a central control center. Walmart already has non-exclusive pilot partnerships with several other autonomous vehicle makers.

Did You Know?

The First Draft

On Sept. 16, 1940, Congress passed the Burke-Wadsworth Act, evoking the first peacetime draft, and marked the beginning of Selective Service. Exactly one month later, registration began for men between the ages of 21 and 36. Each eligible male was given a draft number, and if that number was selected from a glass bowl, the draftee's name was read aloud by the president. Of the nearly 20 million men first eligible, 50% of them were rejected in the first 12 months for being illiterate or for health reasons.

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