



Friday, May 14, 2021

Week in Review, May 14, 2021

Special Focuses: Higher Inflation and Cyber Extortion

The markets were preoccupied with inflation this week as the U.S. Consumer Price Index (CPI) surged 0.8% in April after rising 0.6% in March. This is the largest gain since June 2009. For the 12 months ending April, the all items index rose 4.2%, the highest reading in more than a decade. However, it is important to note that the reading is coming off a low base, as last year the economy had just shut down. April's CPI reading would have been a full 1.1% lower than the pre-pandemic price levels. Market fears of higher inflation could intensify as booming demand amid a reopening economy pushes against supply constraints ([Bloomberg](#)). The Federal Reserve is holding onto their stance that they will not raise rates anytime soon, as they continue to be focused on long-term inflation and not short term fluctuations ([MarketWatch](#)). On a global level, strong inflationary pressure is not seen at this point ([Bloomberg](#)). For the week, markets ended with the S&P 500 down 1.4%, the DJIA down 1.1%, and the NASDAQ down 2.3%.

The group responsible for the Colonial Pipeline hack was identified as DarkSide and appears to be operating in Eastern Europe. Their cyber-hack has proven how vulnerable the U.S. cyber infrastructure is to cyber extortion. After the forced closure of one of the country pipelines, cybersecurity has become the Biden Administration's biggest geopolitical problem ([Axios](#), [NBC](#)). According to the U.S. Homeland Security, ransomware attacks have increased 300% in 2020 ([WSJ](#)). This continues to underscore the importance of the transition to renewables as well.

A new peer-reviewed study from Harvard, in collaboration with RMI, has found that burning gas, wood, and biomass in buildings has more negative health effects than burning coal does in many states. To see the key findings and the health impact of buildings in your state, click [findings](#) and [impact](#). In a different study, the Institute for Policy Studies has found that half of the 100 S&P 500 firms with the lowest median worker wages 'rigged' CEO pay to increase their compensation. In addition, some cut worker salaries and laid off staff during the pandemic. The report found that CEOs at those companies made on average 830 times more than workers ([Daily Mail](#)).

The result of a recent social media survey has shown that social media platforms are doing more to divide the nation than to bring it together. Nearly two-thirds of Americans say these platforms are tearing us apart ([NBC](#)). Meanwhile, a federal security agency said it plans to monitor Americans' social media to identify dangerous conspiracies ([USA Today](#)). A social media giant was urged on Monday by 44 state attorneys general to not proceed with plans to launch a platform version for children under 13. The group of attorneys general is advising the possible harmful mental-health effects on children and emphasizing the significant legal risk the company may face ([The Verge](#)).

The [Opportunity Network](#) is on a mission to address “career undermatching,” which has everything to do with systemic racism, and how it can be fixed ([OZY](#)). The nonprofit organization was founded as a response to the inequitable structures of access, college opportunity, and professional mobility that disproportionately affect students of color and students from low income communities. Its goal is to reimagine professional and social networks as sources of power to catalyze opportunity and access for students from these historically underrepresented communities.

Congratulations to As You Sow for a record-setting 81% vote at an American chemical company on a shareholder resolution asking it to report on spills of plastic pellets. This is the highest vote ever for a shareholder resolution on an environmental issue that was opposed by management ([AYS](#)). The ability to vote as a shareholder is a valuable tool that is underused.

With hostilities escalating between Israel and Palestine this week and both sides showing no signs of backing down ([BBC](#)), our hearts and minds go out to those suffering from this long-standing dispute.

As always, please reach out to us with any market questions or commentary.

Weekend Reads

RBC [Global Insight Monthly May 2021](#)

RBC [Monthly Scorecard May 2021](#)

RBC [Global Insight Weekly May 13, 2021](#)

Bloomberg [Toilet paper is getting more expensive due to soaring prices for its key ingredients](#)

Bloomberg [How Wind and Solar Power Got the Best of the Pandemic](#)

iNews [Net Zero: Why the key to carbon neutral pledges is integrity – and some shareholder pressure](#)

MarketWatch [What will inflation do to your 401\(k\)?](#)

NY Times [As Cars Go Electric, China Builds a Big Lead in Factories](#)

NY Times [For Clean Energy, Buy American or Buy It Quick and Cheap?](#)

Politico [Cheney booted from Republican leadership spot](#)

SF Chronicle [Newsom, in ‘urgent action,’ expands drought emergency to 41 of California’s 58 counties](#)

The Hill [GOP votes to replace Cheney with Stefanik after backing from Trump](#)

Weekend Watches

C. Rufo [Chaos by the Bay: The Truth About Homelessness in San Francisco](#)

German in Venice [Homeless encampment in Venice Beach, the new Skid Row](#)

KOMO News [Seattle is Dying](#)

Recommended Event

The Goldman Environmental Prize [2021 Award Ceremony](#)

Virtual | June 15

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