



**January, 2022**

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**Life Alert: In every conceivable manner, the family is a link to our past, and a bridge to our future.**

**Flooring Flashes:**

1. **Armstrong Flooring** has retained a company to assist with a process for the sale of the company, or to consider other strategic alternatives.
2. CCA Global Partners cancels their annual winter convention due to Covid-19 concerns.
3. Great things happening at **TISE 2022**. Education and training will be provided via four distinct platforms: TISE Seminars, TISE Live Demo Stage, TISE Live Main Stage and TISE TV. New for 2022 will be the industry's first Women's Leadership Conference-by women and for women exclusively at TISE.
4. An amazing floor plan is ready for the industry at **TISE 2022** including the exciting return of Shaw and first-time exhibiting by **CALI at Surfaces**. Also, the next level plans for the **Mohawk Momentum Road Show**, the new home exclusivity of **SESA** tools & machinery exhibits at **StonExpo, Tile Nation and Tile Money** hosting the **TISE TV Studio & Sound Stage at TileExpo**-more products, more education, more networking and lots of fun.

## Corporate Results Builders, Flooring, Home Centers:

1. For the year 2021 **Toll Brothers** sales increased 27%. Net income increased 87% or \$388M. Their backlog in dollars and units was 49% and 32% respectively.

### Positives Observations:

1. Jobless claims have hit their lowest level in 50 years. **See Exhibit III.**
2. A record number of new jobs were added to the labor market in 2021 and the jobless rate dropped to 3.9% at the end of December.
3. The stock market did well in December. The DJIA was up 5%, the S&P was up 4% and the NASDAQ was up 1%. **See Exhibit IV** for end of year results.
4. New home sales were up 12.4% in November, a seven month high compared to October. However, were down compared to a year ago by 14%. **See Exhibit I.**
5. Existing home sales were up 1.9% in November compared to October. This was the 5th consecutive month of increases. However, sales were down 2% compared to a year ago. **See Exhibit II.**
6. The 4- week average for unemployment claims are at the lowest in 52-years.
7. The U.S. cleared its first Pfizer Covid pill for home use.
8. Overall retail sales in November increased a modest 0.3% compared to October.
9. Since the coronavirus began 200 million people worldwide have been fully vaccinated.
10. Widely available vaccines have prevented about 1.1 million additional deaths and 10.3 million additional hospitalizations
11. The median existing-home sale price in November was up to \$353,900 in November, a 13.9% increase compared to a year ago.

## **Neutral Observations:**

1. The U.S. minimum wage in the following years was: 1938 \$0.25, 1948 \$0.40, 1958 \$1, 1968 \$1.60, 1978 \$2.65, 1988 \$3.35, 1998 \$5.15, 2008 \$2.65, 2018 \$7.25.
2. Yeshiva University has the longest winning streak in NCAA basketball. 44 consecutive victories.
3. Apple is worth \$3 trillion-more than Walmart, Disney, Netflix, Nike, Exxon Mobil, Coca-Cola, McDonald's. AT&T, Goldman Sachs, Boeing, IBM and Ford combined!!!
4. 100 former NBA players voted that Kevin Durant was the current best player in the NBA. LeBron James was second and Giannis Antetokounmpo was third.
5. 8 homes were sold in the U.S. for over \$100 million in 2021.
6. Every 8 seconds an American turns 65!
7. Western states including Hawaii, Montana, Utah and Oregon [saw the largest growth in the rates of people leaving their jobs in September.](#)
8. The NYT rated the 10 best restaurants in New York City in 2021-they are: Dhamaka, CheLi, Ernesto's, Contento, Shukette, Gage & Tollner, Iris, Cadence, Chapli & Chips, and Yoon Haeundae Galbi.
9. Toyota overtook GM as America's top selling car company in 2021.

## **Negative Observations:**

1. U.S. inflation hit a 30-year high in November. Consumer prices were up 6.8% compared to a year ago. As of this printing inflation may now be at a 40-year high.
2. Consumer prices rose in November at the fastest rate since 1982.

3. Covid-19 deaths in the U.S. have surpassed 800,000. The death total is higher in 2021 than it was in 2020.
4. The U.S. has surpassed 50 million Covid-19 cases.
5. The seven-day average of daily reported Covid-19 cases reached a record of 403,365 at the end of 2021. The latest one day record in the U.S. is 547,613.
6. At least 1 in 6 people in the U.S. have now been infected with the Coronavirus and 1 in 399 have died.
7. This year's inflation rate has pushed real interest rates to their lowest level in 40 years. However, mortgage rates hit their highest level since May 2020.
8. In October and November over 8 million workers left their jobs. Either higher paying jobs or better working conditions spurred this movement. There are still over 10 million job openings in the U.S.
9. U.S. life expectancy fell 1.8 years to 77 years in 2020.
10. Large firms are cancelling plans to return to the office in January, as the Omicron variant continues to spread.
11. Airlines cancelled more than 3000 flights on January 3<sup>rd</sup>.
12. Mostly due to the pandemic, life insurance payouts rose last year to the highest level since the 1918 influenza epidemic.
13. America's population grew only 0.1% in the year ending July1, 2021, the lowest rate on record, according to Census Bureau figures that show how the pandemic is [changing the country's demographic contours](#). Total U.S. population is now 331.9 million.
14. Wells Fargo, Bank of America and other banks have temporarily closed hundreds of branches.

## **Wall Street Journal Statement**

Nearly two years after the coronavirus pandemic brought much of the U.S. economy to a halt, public companies are recording [some of their best ever](#) financial results. The liquidity crunch many feared in 2020 never materialized, leaving companies with sizable cash cushions. The stock market ended 2021 near record highs and far fewer public companies filed for bankruptcy than in the years before the pandemic. Government programs provided funding for businesses, helping them keep workers, while enhanced unemployment benefits and direct aid to consumers also kept income up. The rebound is real for smaller companies, but it is the biggest companies that have fared the best.

### **SUMMARY**

A trip to the grocery store is sure to get more expensive next year. Labor, transportation and ingredient costs keep rising. Food prices are estimated to rise 5%, and freight costs are expected to affect all product markets, especially staples in 2022. But hiring in the U.S. reached record levels last year and applications for unemployment benefits have trended to 50 year lows. 2021 saw robust economic growth and a good economy should continue this coming year.

### **PREDICTION/OPINION**

The Coronavirus will, most likely, have an effect on the flooring business in 2022. However, pent-up demand is still with us. I continue to estimate that flooring business in 2021 ended up with a 15% increase and 2022 should also be a positive year just not as robust as 2021.

**Ehibit I-\*will now include all existing home sales condos, etc.-numbers are approx..Existing Single Family Home Sales Annual Averages Based on Monthly Sales**

	Adjusted Number	Year/Year % Change	Month/Mon % Change
Jan 20	5389	10.8	-1.3
Feb 20	5777	9.6	6.5
Mar 20	5270	7.2	-8.5
Apr 20	4333	0.8	-17.8
May 20	3910	-17.2	-26.6
Jun 20	4700	-9.7	20.7
Jul 20	5860	-11.3	24.7
Aug 20	6000	8.7	2.4
Sep 20	6540	10.5	9.4
Oct 20	6850	20.9	4.3
Nov 20	6690	26.6	-2.5
Dec 20	6760	22.0	0.7
Jan 21	6690	23.7	0.6
Feb 21	6220	9.1	-6.6
Mar 21	5300	12.3	-3.7
Apr 21	5850	33.9	-2.7
May 21	5730	46.9	--0.9
Jun 21	5860	22.9	1.4
Jul 21	5900	1.5	2.0
Aug 21	5880	-2.1	-2.0
Sep 21	6290	-2.3	7.0
Oct 21	6340	-5.8	0.8
Nov 21	7440	-14	12.4
For 2017	5510		1.2
For 2018	5340		-3.1
For 2019	5540		3.7
For 2020	6760		22.2

**EXHIBIT II-\*WILL NOW INCLUDE ALL& HOUSING, INCLUDING CONDOS, ETC. New Single Family Home Sales Averages Based on Monthly Sales**

	Adjusted Number	Year/Year % Change	Month/Month % Change
		Flat	7.9
Jan 20	764	18.6	Flat
Feb 20	765	14.0	-15.4
Mar 20	615	-9.5	0.6
Apr 20	619	-6.0	19.4
May 20	682	12.7	13.8
Jun 20	791	6.6	13.9
Jul 20	901	36.3	4.8
Aug 20	1011	43.2	-3.5
Sep 20	959	32.0	4.2
Oct 20	945	41.5	-1.5
Nov 20	829	20.8	-11.0
Dec 20	885	17.2	1.6
Jan 21	948	19.3	4.3
Feb 21	775	8.2	-18.2
Mar 21	818	66.8	20.7
Apr 21	863	48.3	-5.9
May 21	734	12.8	-5.9
Jun 21	701	-19.4	-6.6
Jul 21	729	-27.2	1.1
Aug 21	740	-24.3	1.5
Sep 21	800	-17.6	14
Oct 21	745	-23.1	0,4
Nov 21	646	-2.0	1.9

For 2017	613	8.3
For 2018	622	1.5
For 2019	681	10.3
For 2020	923	9.6

**EXHIBIT III*****Unemployment Percentages-Month End***

	<u>2019</u>	<u>2020</u>	<u>2021</u>
January	4.0	3.6	6.3
February	3.8	3.5	6.2
March	3.8	4.4	6.0
April	3.6	14.7	6.1
May	3.6	13.3	5.8
June	3.7	11.1	5.9
July	3.7	10.2	5.4
August	3.7	8.4	5.2
September	3.5	7.9	4.8
October	3.6	6.9	4.6
November	3.5	6.7	4.2
December	3.5	6.7	3.9

**EXHIBIT IV-Stock Market Analysis YTD  
(Percentages) At the End of the Month**

	<u>DJIA</u>	<u>S&amp;P</u>	<u>NASDAQ</u>
Jan 20	7.2	11.0	1.99
Feb 20	0.99	13.1	-4.5
Mar 20	-11.0	18.0	-14.2
Apr 20	-23.2	10.7	-0.9
May 20	-14.7	17.4	5.7
Jun20	-11.1	18.9	12.1
Jul 20	-9.6	16.7	19.8
Aug 20	-7.6	18.7	31.0
Sep 20	0.4%	21.2	23.5
Oct 20	-3.8	25.3	18.0
Nov 20	-7.1	28.9	36.0
Dec 20	4.8	0.16	43.6
Jan 21	-2	-1	1
Feb 21	1.1	1.5	2.4
Mar 21	8.3	7.0	4.6
Apr 21	10.7	9.7	8.3
May21	13.0	12.0	7.0
Jun 21	13.8	15.2	13.3
Jul 21	14.2	17.0	13.9
Aug 21	15.5	20.4	18.4
Sep 21	10.6	14.7	12.
Oct 21	17	23	20
Nov 21	12.7	21.6	20
Dec 21	18.9	27.0	27.0

**BIBLIOGRAPHY/SOURCES: CATALINA RESEARCH, WSJ, NYT, FORBES, FORTUNE, NEWSWEEK, TIME, BUSINESS WEEK, SUN-SENTINEL, GOLF POETRY, VARIOUS INVESTMENT STRATEGY REPORTS, CNN, USA TODAY, U.S. NEWS, INVESTORS BUSINESS DAILY, U.S. COMMERCE DEPT., FLOOR COVERING NEWS, FLOOR COVERING WEEKLY, TALKFLOOR, BLOOMBERG BUSINESSWEEK, OXFORD DICTIONARY OF QUOTATIONS**  
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