



# INCISIVE INVESTOR

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## WEEK IN REVIEW

## WALL STREET BOOKS WEEKLY GAINS

### Stock Market News

The Dow and S&P 500 index finished at another record on Friday, with all three major equity benchmarks booking weekly gains. At the same time, investors gravitated toward shares of companies set to benefit from a stronger economic recovery this year.

Technology stocks did not fare as well, however, long-term government bond yields rose to a one-year high.

The Dow Jones Industrial Average DJIA gained 293.05 points, or 0.9%, to finish at 32,778.64, marking another all-time high. The S&P 500 index SPX rose 4 points, or 0.1%, to end at 3,943.34, booking a closing record. The Nasdaq Composite Index COMP fell 78.81 points, or 0.6%, to finish at 13,319.86.

For the week, the Dow gained 4.1%, the S&P 500 rose 2.6%, while the Nasdaq Composite advanced 3.1%.



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## MACRO NEWS

### President Biden signs stimulus bill



US President Joe Biden signed a massive \$1.9 trillion stimulus bill on Thursday. Checks for \$1,400 will be distributed to Americans below certain income thresholds. Additionally, billions in aid will flow to state and local governments. Secretary of the Treasury Janet Yellen said funds will begin depositing in individuals' accounts as early as this weekend. According to a recent survey of individual investors by Deutsche Bank, some of the money may make its way into financial markets. The bank discovered a plan to put an average of 37% of any stimulus payments into equities. On Thursday evening, Biden presented a televised address regarding the pandemic and asked state governments to make vaccine doses available to all adults by May 1st. He aims to begin a return to normal by the July 4th Independence Day holiday.

### Fed pulls back pandemic programs

Identifying low usage as the cause, the US Federal Reserve announced on Monday that it will allow three programs put in place at the height of the pandemic-related market crisis to expire as scheduled at the end of the month. As of March 3rd, just 3.5% of these facilities' capacity had been utilized. The programs marked for phasing out are the Commercial Paper Funding Facility, the Money Market Mutual Fund Liquidity Facility, and the Primary Dealer Credit Facility. The Paycheck Protection Program Liquidity Facility will be extended by three months until June 30th.

### US inflation ticks upward

The US Consumer Price Index rose 0.4% month over month in February. However, the core inflation (excludes food and energy prices), rose just 0.1%. Headline inflation rose 1.7% compared with levels one year ago. Producer prices rose 0.5% last month while the core rose a more subdued 0.2%. Year-over-year inflation figures are expected to rise sharply in the coming months in comparison with the low inflation readings recorded during the early months of the pandemic.



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## HEADLINERS

US and Chinese officials will meet in Alaska on March 18th in the first bilateral meeting since the Biden administration took office in late January.

Exports from China surged in the first two months of the year, avoiding the usual seasonal slowdown that accompanies worldwide new year celebrations.

Coronavirus-related travel restrictions kept factories that normally close over the holiday period online this year.

The Organization for Economic Cooperation and Development this week increased its

global growth projection from 4.2% to 5.6%.

The US Department of Labor announced Wednesday that it will not enforce a pair of Trump-era rules that restricted the use of ESG investments in retirement plans. The Labor Department said it would likely publish further guidance on the rules or rewrite them completely.

Flow data from Bank of America show that investors have been selling bonds and gold and buying equities, particularly emerging market and value stocks. Financial conditions in the G7 have passed "peak easy," the bank said.

## MAJOR STOCK MOVES

Shares of Ulta Beauty Inc. ULTA fell 8.5% after it reported lower fourth-quarter sales and profit, year over year late on Thursday. It also announced that Chief Executive Mary Dillon will be replaced by company President David Kimbell.

GoodRx Holdings Inc. GDRX shares fell 10.4% after the healthcare company reported adjusted earnings that were above Wall Street expectations but guided for lower first-quarter sales.

DocuSign DOCU was under pressure, down 6.6%, even after the electronic authentication company issued a better-than-expected quarterly outlook in its most recent quarterly report.

Novavax NVAX says its COVID vaccine is effective against variants of the deadly virus.

Its stock surged 8.1%.

Shares of GameStop Corp. GME rallied 3.2% Friday, following a 1.9% drop in the previous session on an otherwise mixed session for other meme stocks.

Boeing Co. BA has received an order from a private investment firm 777 Partners to buy 24 737 MAX airplanes with an option to purchase a further 60, according to a Reuters report. Shares of the Dow component gained 6.8%.

Shares of AMC Entertainment Inc. AMC shot up 9.1% Friday, putting it on track for a weekly gain of 36.0%, and has now run up 95.9% amid a four-week win streak.

Shares of Charles Schwab Corp. SCHW rose 1.9% after the discount brokerage released its monthly activity update, which showed new brokerage accounts in February and more than tripling from the year-ago increase.

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Do you have questions about your stimulus check, the CARES Act, recession, SBA loans, finances, the market or the economy?

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