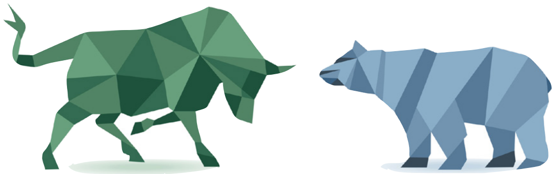
Braeburn Observations



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LOWRY'S 3/26/2021

Because of the withdrawal of Supply and the resulting 11-point decline in the Selling Pressure Index from its March 24 high, the Net Percent Spread between Buying Power and Selling Pressure continued to recover from its least positive value since Nov. 12, 2020. Yet, it has not been able to recapture its 40-WMA, which suggests that the market does not quite have the fuel it needs to reunify and head higher with conviction. Such conviction will likely be found when the percent spread does cross back above its 40-WMA. Also contributing will be such factors as firming short-term momentum, and the "risk on" areas of the markets resuming their positive trends. The latter includes the relative performances of small- and mid-cap stocks and the Percent of OCO Stocks 20% and 30% below 52-Week Highs. Gains here would suggest that the market is once again refreshed at all levels, leadership is restored and all cylinders are firing together once again.

U.S. MARKETS

Most of the major U.S. benchmarks moved steadily to new record highs this week, although the small-cap Russell 2000 index recorded a modest loss. The Dow Jones Industrial Average rose 2% to finish the week at 33,801, while the technology-heavy NASDAQ Composite rallied 3.1% to close at 13,900. By market cap, the large cap S&P 500 finished up 2.7%, while the mid-cap S&P 400 added 0.9%. The small-cap Russell 2000 finished down -0.5%.

INTERNATIONAL MARKETS

Canada's TSX rose 1.3%, while the United Kingdom's FTSE 100 gained 2.6%. On Europe's mainland, France's CAC 40 and Germany's DAX added 1.1% and 0.8%, respectively. In Asia, China's Shanghai Composite retreated -0.5%. Japan's Nikkei finished the week up 1.3%. As grouped by Morgan Stanley Capital International, developed markets closed the week up 1.5%, emerging markets retreated -0.6%.

U.S. ECONOMIC NEWS

The number of Americans filing first-time unemployment benefits rose by 16,000 to 744,000 last week, according to the Labor Department. Economists had expected claims would fall to 694,000. New claims rose sharply in California and New York. There were more modest declines in Ohio and Texas. Continuing claims, which counts the number of people already receiving benefits, declined by 16,000 to a seasonally-adjusted 3.09 million. That's the lowest level for continuing claims in a year. Despite the recent tick-up, claims are expected to continue to trend lower as the economy re-opens and more Americans are vaccinated.

The number of job openings in the U.S. hit their highest level in more than two years as the economy continued to reopen. The Labor Department's Job Openings and Labor Turnover Survey (JOLTS) showed that job openings jumped to 7.37 million from 7.1 million in January. Job openings rose the most in February in health care, hotels, restaurants, theaters, museums and parks and recreation. The so-called 'quits rate', rumored to be closely watched by the Federal Reserve as it is assumed a worker would only quit a position in favor of a more lucrative one, remained unchanged at 2.6% among private-sector employees and is back to pre-crisis levels. At the height of the coronavirus crisis, the quits rate had fallen to a seven-year low of 1.8%.

Activity in the services side of the U.S. economy, which makes up more than two-thirds of U.S. economic output, soared in March as governments lifted businesses restrictions and rising vaccinations gave Americans

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more confidence to go out and shop, travel or take a vacation. A survey of business leaders at service-oriented firms such as banks, retailers and restaurants jumped to 63.7 last month from 55.3 in February, the Institute for Supply Management (ISM) reported. The month-over-month jump was the highest on record since ISM began the survey in 1997. All 18 services industries tracked by the ISM expanded in March. In the details of the report, new orders and production made big leaps as each sub-index also hit their highest levels on record.

Orders for U.S. manufactured goods fell -0.8% in February, the Commerce Department reported. This was the first decline since the depths of the coronavirus recession last April. Economists were expecting just a -0.6% decline. Orders for so-called 'durable goods'—items expected to last at least three years—fell a revised -1.2% in February. Orders for 'non-durable goods' were down -0.4% for the month. Economists blamed the weakness in February on cold weather. Analysts also suggested the lack of key supplies may also have placed a role.

According to minutes of their March meeting released this week, Federal Reserve officials seemed divided almost evenly over their outlook for inflation. "Several" Fed officials said that supply bottlenecks and strong demand would push up price inflation "more than anticipated," the minutes said. At the same time, "several" other Fed officials expressed belief that the factors that had contributed to low inflation over the past decade "could again exert more downward pressure on inflation than expected." The Fed upgraded its forecast for growth and employment and forecast that headline inflation would rise to 2.4% rate this year — above the 2% target — but then settle down to 2.1% by 2023. Despite these changes, the Fed's median forecast was for no liftoff in interest rates through 2023.

About Our Research Sources

Barron's – Since 1921 Barron's has provided investment analysis and insight in its weekly publication and, in recent times, it's continuously updated web site. Barron's provides a wide range of perceptives, expert analysis and interviews with financial and investment professionals.

Investor's Business Daily (IBD) – A daily newspaper designed for the individual investor. All of its products and features are based upon the CAN SLIM Investing System developed by its founder William J. O'Neil. This system identifies the seven common characteristics what winning stocks display. For more on this see his book "How to Make Money in Stocks."

Lowry's – Based out of Miami, Florida, Lowry's is the oldest continuously published Technical Investment Advisory service in the US. Their work, which gives insight into the underlying supply and demand dynamics of the market, is based upon a daily examination of all stocks on the New York Stock Exchange and Nasdaq Stock Market. Lowry's has pioneered work in the statistical analysis of upside and downside volume statistics including their exclusive measure of buying and selling pressure.

Mauldin Economics - Best selling author, analyst and financial writer, John Mauldin, taps into his network either directly or through the reams of high-level research he's privy to on a regular basis, to assist in identifying the smartest investments for today's markets; then carefully screened and evaluated by a team of ace analysts.

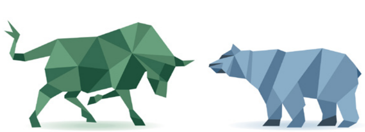
Stock Trader's Almanac – A unique annual publication created by Yale Hirsch in 1967. The almanac is a treasure trove of insightful research originating such important phenomena as the "January Barometer," the "Santa Claus Rally," and "Sell in May and Go Away." It includes data backing, historically proven, cyclical and seasonal tendencies.

The Fat Pitch - an acclaimed blog that the Business Insider ranks on their annual list of the Top Finance People to Follow. The blog is written by Urban Carmel who has had a long career in financial markets. This blog discusses trends he sees and the business of managing money.

The Sherman Sheet - published by W. E. Sherman and Co., of St. Louis MO. Bill Sherman is a long-time prefessional money manager who developed an in-depth expertise in computerized analysys and statistical measurements over the years, and is a recognized expert in several areas of the investment universe.

Value Line – Founded in 1931, Value Line is an unbiased research firm providing intuitive investment research on companies, industries, markets and economies. Value line provides astute fundamental research, trending information and historical data that allows for shrewd decision making.

Zacks – Founded in 1978 by Len Zacks, PhD. MIT, Zacks is an investment research firm pioneering work in the area of corporate earnings estimate revisions and stock performance. Zacks believes, and Braeburn agrees, that Earnings Estimate Revisions are the most powerful force impacting stock prices.



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