



9-13-21

## WEEKLY UPDATE

### *Economic and Market Performance*

MARKET INDEX	CLOSE 9-10-21	WEEK GAIN/LOSS	Y-T-D GAIN/LOSS
<b>DJIA</b>	34,607.72	-2.2%	+13.1%
<b>S&amp;P 500</b>	4,458.58	-1.7%	+18.7%
<b>NASDAQ</b>	15,115.49	-1.6%	+17.3%

Initial unemployment claims for the week ending September 4 decreased by 35,000 to 310,000, a post-pandemic low. Continuing claims for the week ending August 28 decreased by 22,000 to 2.78 million, the lowest since March 14, 2020. Claims may have been even lower except for a substantial increase in Louisiana which was impacted by Hurricane Ida. Available jobs increased 7.4% in July to a record 10.9 million as an extensive shortage of workers is leading to wage increases to try to fill positions.

Consumer credit increased by \$17.0 billion in July, slowing from the upwardly revised \$37.9 billion in June. The expansion in consumer credit in July was the sixth straight increase in total outstanding credit and it followed on the heels of the largest increase since December 2010 seen in June.

The Producer Price Index for final demand increased 0.7% month-over-month in August after increasing 1.0% in July. On a year-over-year basis, the Producer Price Index for final demand was up a record 8.3% on an unadjusted basis versus 7.8% in July.

During the past week, the stock market lost ground each day with the Dow dropping 2.2%, the S&P 500 falling 1.7% and the NASDAQ declining 1.6% due to inflationary concerns and the potential for slowing economic growth.

### *HI-Quality Company News*



**Facebook-FB**, in partnership with EssilorLuxottica, will be selling Ray-Ban Stories glasses for \$299. “The Facebook View app on iOS and Android makes it easy to import, edit, and share content captured on the smart glasses to apps on your phone: Facebook, Instagram, WhatsApp, Messenger, Twitter, TikTok, Snapchat, and more,” Facebook said in a blog post. “You can also save content to your phone’s camera roll and edit and share from there.”



Collins Aerospace, a **Raytheon Technologies-RTX** business, unveiled Lilac-UV, an ultraviolet (UV) lighting solution to sanitize aircraft interiors nearly anywhere a light is installed inside an aircraft. Lilac-UV emits a slight

violet light that disinfects surfaces in seconds to minutes, depending on lamp configuration and specific pathogen. Lilac-UV can be applied in lavatories, galleys, flight decks, cargo bays and throughout the cabin, and can be set for scheduled cleanings or manual applications during or between flights. The sanitizing light, combined with other hygienic measures taken onboard aircraft, gives added peace of mind and protection to passengers while also reducing aircraft downtime for manual cleaning.

## FACTSET

**FactSet-FDS** announced that it has been selected by Raymond James Ltd. as its market data provider for financial advisors in Canada. FactSet is working with Raymond James Ltd. to implement its web-based Wealth Workstation to over 900 wealth management professionals. The virtual implementation will provide them with personalized and efficient access to comprehensive multi-asset class market data and analytics within a modern and easy-to-use platform.



**Intel-INTC** plans to build new chip-making facilities in Europe valued at up to \$95 billion over the next decade to help add manufacturing capacity at a time of a global chip-supply crunch. Intel said it plans to commit manufacturing capacity at a factory in Ireland to the auto-chip sector. Intel's CEO, Mr. Gelsinger, predicted that the market for car chips would more than double by the end of the decade. Semiconductors, he said, would account for more than 20% of the material costs for new premium-segment cars, up from 4% in 2019, as new driver-assistance capabilities, flashy touch screens and other features that require more processing power become more widespread.



**Gentex-GNTX** announced light commercial vehicle manufacturers have begun turning to Gentex's Full Display Mirror an intelligent rear-vision system that uses a custom camera and mirror-integrated video display to optimize a vehicle's rearward view. The system captures video from the rearward-facing camera and streams it to a unique, mirror-integrated LCD that provides the driver with an unobstructed, panoramic view behind the vehicle. This makes it easier to spot pedestrians, cyclists, and rearward-approaching traffic while also improving the driver's ability to safely change lanes, reverse, park, turn, and dock the vehicle. The company also announced the acquisition of Guardian Optical Technologies, an Israeli startup that pioneered a unique, multi-modal sensor technology designed to provide a comprehensive suite of driver- and cabin-monitoring solutions for the automotive industry.



NeuExcell Therapeutics and Spark Therapeutics, a member of the **Roche Group-RHHBY** announced a gene therapy collaboration aimed at developing a safe and effective treatment for patients suffering from Huntington's Disease. Under the terms of the agreement, Spark Therapeutics will receive access to NeuExcell's proprietary neuro-regenerative gene therapy platform and capabilities. NeuExcell's research team will collaborate closely with Spark Therapeutics to advance the program. Under the Option License, NeuExcell is eligible to receive upfront license fees, R&D and Sales milestone payments up to approximately \$190 million plus product royalties.



Webex by **Cisco-CSCO** hosts a record eight billion calls monthly and supports more than 39 million cloud calling users worldwide - the most of any cloud calling provider. To meet enterprises growing global needs, Cisco has also extended its domestic calling coverage to include the UK, with more than 65 countries now covered with its Cisco Calling Plans and Cloud Connected PSTN services -- the most in the industry. Enterprises such as T-Mobile, Office Depot, Cigna Health, and CDK Global are relying on Webex Calling to power their businesses.

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We liked this tidbit from a blog by value investor, Vitaliy Katsenelson, which echoes our own investment process:

*Armed with patience, a long-term time horizon and our time-tested value investing process, we patiently look for high quality companies, run by great management, that are significantly undervalued (i.e., have a margin of safety). This process is not fast and furious and won't get you rich quickly. It requires a lot of mundane work and turning over a lot of rocks. We read company financial filings, talk to management, competitors, build our own financial models, debate these investments among ourselves and with our global network of investors. We only need 20 to 30 stocks – there are tens of thousands of stocks globally. When we cannot find enough stocks that meet our stringent investment criteria, our cash balances go up and then they'll decline as we find new stocks. We don't time the market; we value individual stocks, buy when they are cheap and sell when they are dear.*

If you have any questions, please let us know.

Sincerely,

*Ingrid R. Hendershot*

President