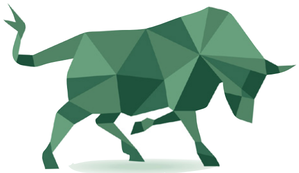
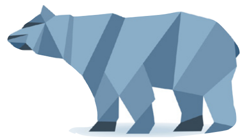
Braeburn Observations





Michael A. Poland, CFA®
Wealth Advisor / Portfolio Manager

LOWRY'S 3/26/2021

Market breadth should expand as Lowry's momentum gauges remain elevated or push higher. These qualities are an extension of what the last year has brought. As such, despite the blurreed shorter-term trends in the balance of Supply and Demand, probabilities favor the re-emergence of a healthy and likely more unified bull market.

U.S. MARKETS

The major U.S. benchmarks ended the holiday-shortened week higher. The large-cap S&P 500 index crossed the 4,000 threshold for its first time, and the mid cap S&P 400 also set a new intraday record. The technology-heavy NASDAQ Composite led the advance, rebounding after selling off the most among U.S. indices in the first quarter. The Dow Jones Industrial Average rose 80 points finishing the week at 33,153—a gain of 0.2%. The NASDAQ Composite jumped 2.6% to 13,480. By market cap, the large cap S&P 500 added 1.1%, while the mid cap S&P 400 and small cap Russell 2000 rose 0.8% and 1.5%, respectively.

INTERNATIONAL MARKETS

Canada's TSX rose 1.3%, while the United Kingdom's FTSE 100 ticked down -0.1%. On Europe's mainland, France's CAC 40 rose 1.9%, while Germany's DAX jumped 2.4%. In Asia, China's Shanghai Composite added 1.4% and Japan's Nikkei added 0.7%. As grouped by Morgan Stanley Capital International, developed markets added 0.3%, while emerging markets tacked on 1.1% for the week.

U.S. ECONOMIC NEWS

The number of Americans filing for first-time unemployment benefits rose at the end of the March, but economists expect the increase is just a temporary blip. The Bureau of Labor Statistics reported initial jobless claims jumped by 61,000 to 719,000 in the week ended March 27th. Economists had expected new claims to fall to a seasonally-adjusted 675,000. New claims increased the most in Virginia, along with smaller increases in Kentucky, Georgia, New Jersey and California. They declined the most in Ohio, Massachusetts and Florida. The number of people already collecting unemployment benefits declined to 46,000 to 3.79 million. These so-called "continuing claims" are now at their lowest level in a year. Analysts are expecting a quick rebound in the labor market. Senior economist Bill Adams of PNC Financial Services stated, "Job growth will accelerate dramatically in coming months as the U.S. reaches herd immunity and the high-contact service sector revives."

The U.S. economy added 916,000 new jobs in March signaling a much stronger economy going forward. A surge of hiring in the 'Leisure and Hospitality' sector followed by the government and construction led to the most new jobs being added in seven months. The growth in jobs easily exceeded economists' forecasts. Economists had expected just 675,000 new jobs. Economists predict even faster hiring in the months ahead if most Americans get vaccinated and the coronavirus pandemic fades away. Meanwhile, the official unemployment rate slipped 0.2% to 6%. Sal Guatieri of senior economist at BMO Capital Markets stated, "Job growth is now accelerating across the nation, helped by massive fiscal stimulus and a now speedy vaccination program."

Home prices continued to increase at a double-digit pace around the country according to two separate widely-followed housing market indexes. The S&P CoreLogic Case-Shiller 20-city home price index posted an 11.1% annual gain in January—up from 10.2% the previous month. On a monthly basis, the 20-city index increased 0.9% between December and January. Prices rose on a monthly basis in 19 of the 20 large cities tracked by Case-Shiller. Phoenix saw the highest rate of price appreciation with a 15.8% gain year-over-year, followed by Seattle and San Diego. Cleveland was the only city to see prices drop. Craig Lazzara, managing director and global head of index investment strategy at S&P DJI said in the report, "January's data remain consistent with the view that COVID has encouraged

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111 W. Western Avenue
Muskegon, Michigan 49442
231.720.0743 Main
866.577.9116 Toll free
info@braeburnwealth.com

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potential buyers to move from urban apartments to suburban homes." In addition, the broader Case-Shiller national price index which covers the entire country, posted an 11.2% year-over-year gain in January—its biggest monthly increase in almost 15 years. Separately, the Federal Housing Finance Agency released its own home-price index which showed a 12% increase in home prices nationwide compared to a year ago and a 1% uptick month-over month.

An indicator of future activity in the housing market showed far fewer Americans signed deals to purchase homes in February than economists had expected. The National Association of Realtors (NAR) reported its index of pending home sales fell 10.6% in February—the fifth consecutive month in which this measure declined. The index tracks real-estate transactions in which a contract has been signed but the sale has not yet closed. The median forecast of economists had called for a 3.1% decline in pending sales on a monthly basis. Compared to 2020, pending sales were down 0.5%, representing the first annual decline in eight months. Pending home sales fell in every region of the country. The South notched the largest decline, with a 13% monthly decrease, while the West had the smallest drop at 7.4%.

Confidence among the nation's consumers surged in March to a one-year high as more Americans got vaccinated and the government distributed $1,400 stimulus checks to boost the economy. The Conference Board reported its index of consumer confidence surged 19.3 points to 109.7 in March from the previous month. Economists had expected a smaller increase to just 96.8. For perspective, the index had stood at a 20-year high of 132.6 in February of 2020, shortly before the onset of the coronavirus pandemic. The part of the survey that tracks how consumers feel about the economy right now, known as the "present situation index", jumped to 110 from 89.6. Lynn Franco, senior director of economic indicators at the nonprofit board stated, "Consumers' renewed optimism boosted their purchasing intentions for homes, autos and several big-ticket items." Another gauge that assesses how Americans view the next six months--future expectations index--leaped to 109.6 from 90.9. That's the highest level in 21 months. One growing worry: higher inflation, mainly at the gas pump. That "may temper spending intentions in the months ahead," Franco said.

Manufacturing activity in the U.S. grew faster in March as a key index hit a 38-year high, pointing to further momentum in the U.S. economy. The Institute for Supply Management (ISM) reported its manufacturing index jumped to 64.7 from 60.8 in the prior month. Readings over 50 indicate growth, while anything over 55 is considered exceptional. The increase far surpassed Wall Street's expectations of 61.7. In the details, the improvement in manufacturing activity was widespread across almost all industries. Seventeen of the 18 industries tracked by ISM expanded in March, with most reporting increases in production, new orders and employment. The biggest problems manufacturers face right now are shortages of some key supplies – and workers - that are hindering production and raising prices. Finding enough skilled workers, especially in a pandemic, has also been a chronic problem. In the report, a senior executive at a maker of transportation equipment stated, "Business conditions are positive for our industry and company. The constraints are mainly related to parts availability. Manpower is also a constraint. Hiring new workers is a challenge."

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.

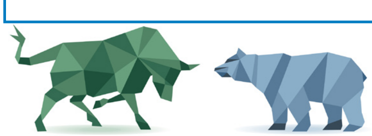
Stock Trader's Almanac – A unique annual publication created by Yale Hirsch in 1967. The almanac is a treasure trove of insightful research originating such important phenomena as the "January Barometer," the "Santa Claus Rally," and "Sell in May and Go Away." It includes data backing, historically proven,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