

Good morning!

It is a “bull market run” that few analysts saw coming and even fewer predicted the scale of its success. From a 3/23/20 bear market low, just 10 days after President Trump’s declaration of a pandemic-driven national emergency, the S&P 500 has gained +99.5% (total return) through the close of trading last Friday 7/09/21. The 15 ½ month stock rally has produced 58 all-time closing highs for the index, including 9 all-time bests in just the last 11 trading days. However, the “bear” that preceded this “bull” was equally shocking. From a bull market high on 2/19/20, the value of all US equities lost \$12.7 trillion in just over a month to fall to \$23.4 trillion as of 3/23/20. The current rally has now pushed US equities to a record capitalization of \$47.2 trillion (source: BTN Research).

The bond market has enjoyed long-term success as a result of mostly declining interest rates since 1985. It seemed logical to conclude that our nation’s strong economic recovery and rising prices in the first half of 2021 would finally put an end to historically low interest rates. But just like the other premature calls for the end of the “bond bull market” (see 1986, 2001 and 2008), that prediction may again prove to be wrong. If the Fed is able to navigate the ending of its monetary support and prevent price inflation from taking off, interest rates may not have to rise as expected (source: BTN Research).

Crazy statistic of the week: 3.99 million Americans quit their jobs in April 2021, the largest monthly “quit level” recorded in the United States. Historically, employees are willing to quit an existing job when they are confident that a new job providing greater satisfaction is readily available. There may be other reasons this time that are motivating Americans to walk away from their jobs, e.g., the desire to find an employer who will allow them to continue to “work from home” (source: Department of Labor).

Notable Numbers for the Week:

1. **READY FOR A CHANGE** - 24% of 2,000 American workers surveyed in late May 2021 are planning on looking for a new job in the post-pandemic world (source: Pulse of the American Worker Survey).
2. **TO THE HEIRS OR TO CHARITY?** - 26% of the \$137 trillion net worth held by Americans as of 3/31/21 is owned by US citizens at least age 70, i.e., \$35 trillion (source: Federal Reserve).
3. **NOT JUST KIDS** - 19% of Americans that have outstanding student loan debt from college are over age 50, i.e., 8.7 million borrowers out of 44.7 million total borrowers (source: Federal Reserve Bank of New York).
4. **AGING GROUP** - 2 out of every 5 physicians (40%) in the United States today will be at least age 65 within the next 10 years (source: The Complexities of Physician Supply and Demand: Projections form 2019-2034).

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