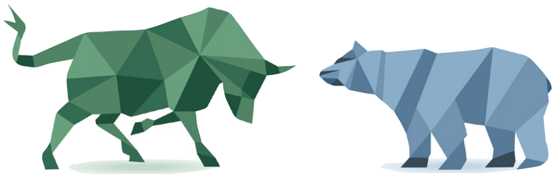
Braeburn Observations



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LOWRY'S 8/27/2021

The translation of lasting gains in small-cap stocks into positive changes in Lowry's other core indicators will be important to observe. The improvements - indicative of the return of broad-based Demand - would signal it is time for more assured portolio positioning.

U.S. MARKETS

The major U.S. indexes ended the week mixed after the S&P MidCap 400 index joined the large cap S&P 500 and NASDAQ Composite indexes in reaching new intraday highs this week. The real estate sector outperformed within the S&P 500 while financials lagged. The Dow Jones Industrial Average shed 87 points finishing the week at 35,369, a decline of -0.2%. The technology-heavy NASDAQ Composite finished the week up 1.5%. By market cap, the S&P 500 added 0.6%, the S&P 400 retreated -0.2%, and the small cap Russell 2000 finished up 0.7%.

INTERNATIONAL MARKETS

International markets finished the week predominantly to the upside. Canada's TSX gained 0.9% while the United Kingdom's FTSE 100 ticked down -0.1%. On Europe's mainland, France's CAC 40 rose 0.1%, while Germany's DAX declined -0.4%. In Asia, China's Shanghai Composite rose 1.7%, and Japan's Nikkei surged 5.4%. As grouped by Morgan Stanley Capital International, emerging markets rose 3.0% while developed markets gained 1.7%.

U.S. ECONOMIC NEWS

Jobless claims fell to a new pandemic low of last week, despite an uptick in coronavirus cases. The Labor Department reported initial jobless claims fell by 14,000 to 340,000 in the week ended August 28th. Economists had expected new claims would total 345,000. Prior to the pandemic, initial jobless claims had been averaging in the low 200,000's. By most measures the labor market is quite strong. Job openings recently topped 10 million for the first time and many companies are offering higher pay to attract workers. Millions of people who had a job before the pandemic still haven't chosen to return to work. Meanwhile, the number of people already collecting state jobless benefits, so-called 'continuing claims' slid by 160,000 to 2.75 million. This reading is also at a pandemic era low. Altogether, some 12.2 million people were reportedly receiving benefits through eight separate state or federal programs as of Aug. 14.

The U.S. added just 235,000 new jobs in August as employers continue having difficulty finding qualified workers. The increase in new jobs was the smallest in seven months and fell well short of Wall Street's forecast. Economists had expected 720,000 new jobs would be added. The details of the August employment report were lackluster across the board. Analysts say the rapid spread of the new 'delta variant' of the coronavirus may have driven a lot of companies to freeze hiring plans, while others say it's a lack of available workers. Meanwhile, the unemployment rate dropped 0.2% to 5.2%--a new pandemic low. However, the official rate underestimates the true unemployment level as it only measures people that report actively looking for employment. The broader U-6 measure, which includes people that are eligible to work but no longer looking, stands at 8.9%.

The number of "pending" home sales, in which a contract has been signed but not yet closed, slid for a second month in a row despite economists' predictions of an increase. The National

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Association of Realtors (NAR) reported pending home sales fell 1.8% in July from the previous month. Economists had projected a 0.5% increase. Compared to last year, there was an even more significant decline in pending home sales, with an 8.5% drop. On a regional basis, only the West saw an improvement in contract signings, with a 1.9% monthly increase. The Northeast experienced the largest monthly decline of any region, with a 6.6% drop from June. Every region saw pending home sales decrease on an annual basis.

Home prices continued rising at a record pace in June, according to a leading barometer. The latest reading of the S&P CoreLogic Case-Shiller Home Price index showed home prices increased 18.6% from the same time last year—its third consecutive month of setting new record growth numbers in the more than 30-year history of the index. The separate 20-city index, which measures price appreciation in major metropolitan areas across the country, saw a 19.1% year-over-year gain. The largest price gains were recorded in Phoenix, San Diego and Seattle. In 19 of the 20 cities analyzed, home prices are at record highs, with Chicago being the lone holdout.

Coincidentally, a measure of business conditions in the Chicago area slipped in August, but not because of the coronavirus. Companies are still reporting they can't get enough supplies or people willing to work to keep up with new orders. The Chicago Business Barometer, also known as the Chicago PMI, fell to 66.8 last month from 73.4 in July. Just a few months earlier, the index had touched an almost 50-year high. The decline in August was worse than expected. Economists had forecast the index to decline to 69.4.

The confidence of American consumers sank in August to a six-month low as prices on just above everything continued to rise and the delta strain of the coronavirus continued to spread. The Conference Board reported its index of consumer confidence slid 11.3 points to 113.8 in August. ¬Furthermore, higher prices on gasoline, groceries, and just about everything else are taking a toll. Inflation is running at its highest level in 30 years according to the Federal Reserve's preferred price barometer. In the details of the report, the gauge that measures how Americans view the next six months also fell. The so-called future expectations index slid to 91.4 from 103.8 to mark the lowest reading since January.

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.

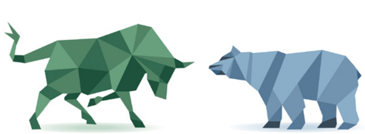
Stock Trader's Almanac – A unique annual publication created by Yale Hirsch in 1967. The almanac is a treasure trove of insightful research originating such important phenomena as the "January Barometer," the "Santa Claus Rally," and "Sell in May and Go Away." It includes data backing, historically proven,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