

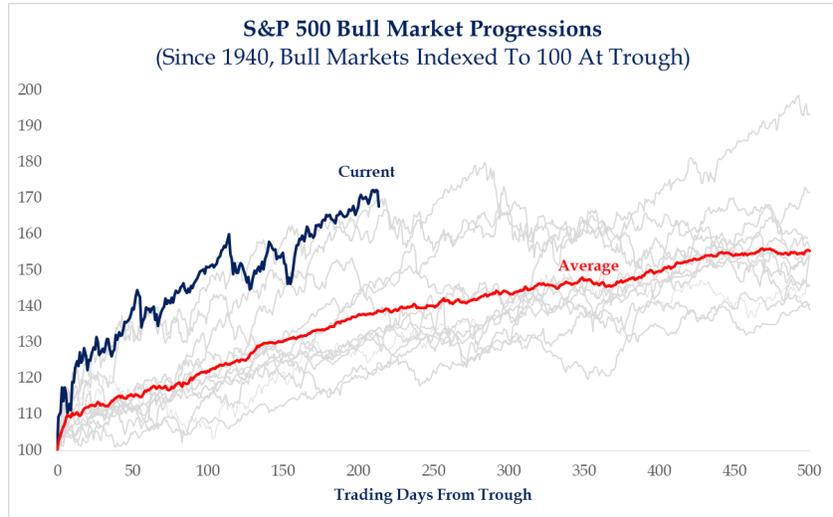
# Strategas Daily Macro Brief

Prepared by Strategas Securities, a Baird Company

January 28, 2021

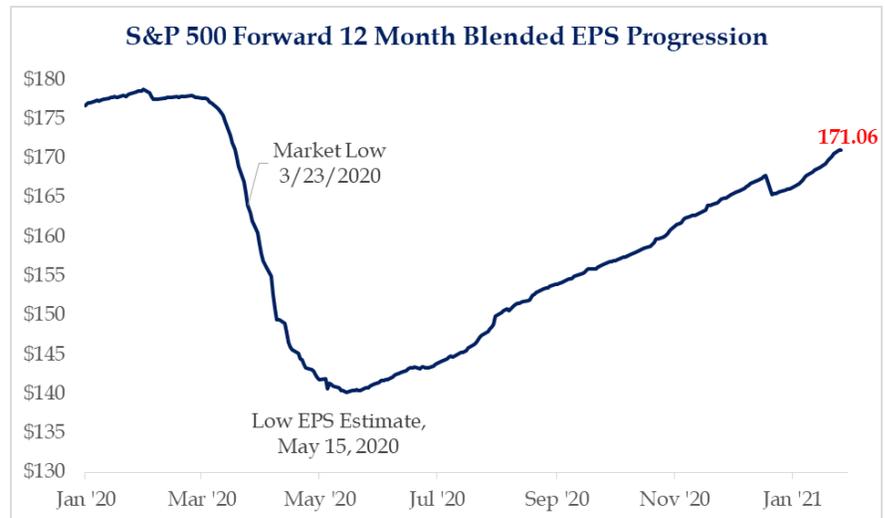
## DAYS LIKE YESTERDAY ARE NEVER EASY, BUT PERSPECTIVE HELPS

It's never fun for the market to sell-off like it did yesterday but keeping the overall move in perspective often helps. The current bull market, which began back in March, is up an astounding 67%. This is one of the fastest rises in history and is well ahead of the 39% average return for bull markets over the same time period.



## EARNINGS CONTINUE TO IMPROVE

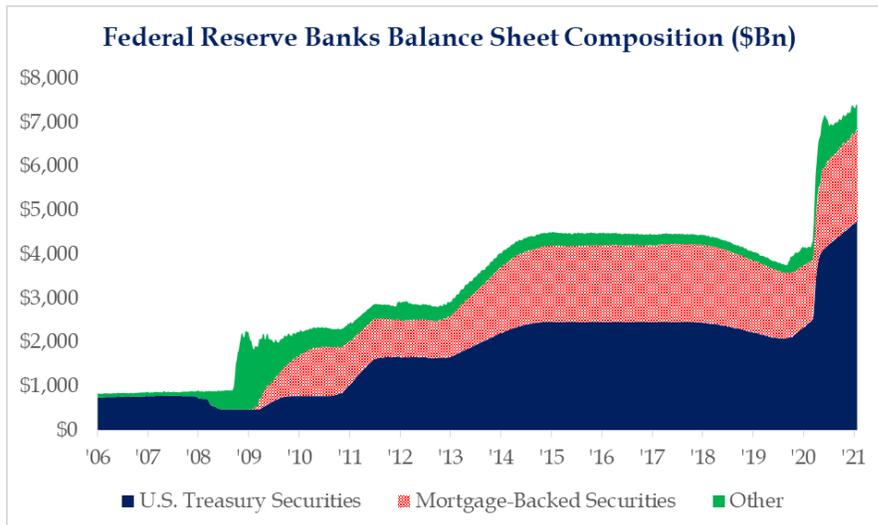
The daily NTM EPS progression for the S&P 500 continues to march higher and is now above \$171. After the close yesterday, we heard from two of the largest contributors to overall index earnings and they beat estimates relatively easily. As of now, 2021 is on pace to be stronger than some anticipate.



Please see the Appendix on page 3 for important disclosures.

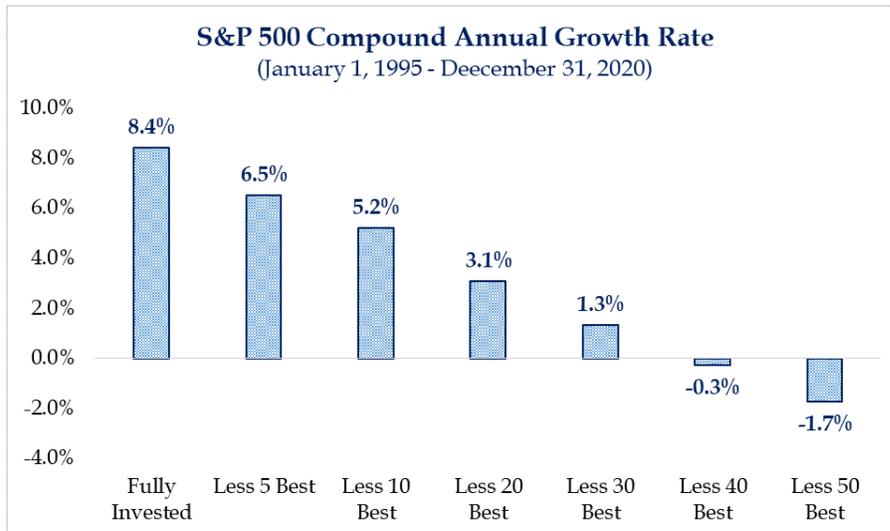
### THE FED WILL REMAIN EASY

Yesterday, Jerome Powell made it clear that the Federal Reserve had no plans for exiting the massive support for the economy during the ongoing pandemic. Interest rates were left unchanged at near-zero, and they will be maintaining current bond purchases of \$120 billion per month until there is “substantial further progress” on employment and inflation. The balance sheet currently stands at ~\$7trillion, with room to grow even further if necessary.



### MARKET TIMING IS INCREDIBLY DIFFICULT

We often publish this chart following sharp pullbacks as we would all love to time the market to miss the worst days and be invested only on the best. As the chart below shows, missing just the five best days over the last 25 years would result in annualized returns 1.9% less than being fully invested.



## APPENDIX – IMPORTANT DISCLOSURES

This communication was prepared by Strategas Securities, LLC (“we” or “us”). Recipients of this communication may not distribute it to others without our express prior consent. This communication is provided for informational purposes only and is not an offer, recommendation or solicitation to buy or sell any security. This communication does not constitute, nor should it be regarded as, investment research or a research report or securities recommendation and it does not provide information reasonably sufficient upon which to base an investment decision. This is not a complete analysis of every material fact regarding any company, industry or security. Additional analysis would be required to make an investment decision. This communication is not based on the investment objectives, strategies, goals, financial circumstances, needs or risk tolerance of any particular client and is not presented as suitable to any other particular client; therefore, this communication should be treated as impersonal investment advice. The intended recipients of this communication are presumed to be capable of conducting their own analysis, risk evaluation, and decision-making regarding their investments.

For investors subject to MiFID II (European Directive 2014/65/EU and related Delegated Directives): We classify the intended recipients of this communication as “professional clients” or “eligible counterparties” with the meaning of MiFID II and the rules of the UK Financial Conduct Authority. The contents of this report are not provided on an independent basis and are not “investment advice” or “personal recommendations” within the meaning of MiFID II and the rules of the UK Financial Conduct Authority. The information in this communication has been obtained from sources we consider to be reliable, but we cannot guarantee its accuracy.

The information is current only as of the date of this communication and we do not undertake to update or revise such information following such date. To the extent that any securities or their issuers are included in this communication, we do not undertake to provide any information about such securities or their issuers in the future. We do not follow, cover or provide any fundamental or technical analyses, investment ratings, price targets, financial models or other guidance on any particular securities or companies. Further, to the extent that any securities or their issuers are included in this communication, each person responsible for the content included in this communication certifies that any views expressed with respect to such securities or their issuers accurately reflect his or her personal views about the same and that no part of his or her compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this communication. This communication is provided on a “where is, as is” basis, and we expressly disclaim any liability for any losses or other consequences of any person’s use of or reliance on the information contained in this communication.

Strategas Securities, LLC is a registered broker-dealer and FINRA member firm, as well as an SEC-registered investment adviser. It is affiliated with Strategas Asset Management, LLC, an SEC-registered investment adviser. Strategas Securities, LLC is also affiliated with Robert W. Baird & Co. Incorporated (“Baird”), a broker-dealer and FINRA member firm, although the two firms conduct separate and distinct businesses.

A complete listing of all applicable disclosures pertaining to Baird with respect to any individual companies mentioned in this communication can be accessed at <http://www.rwbaird.com/research-insights/research/coverage/third-partyresearch-disclosures.aspx>. You can also call 1-800-792-2473 or write: Robert W. Baird & Co., PWM Research & Analytics, 777 E. Wisconsin Avenue, Milwaukee, WI 53202.