

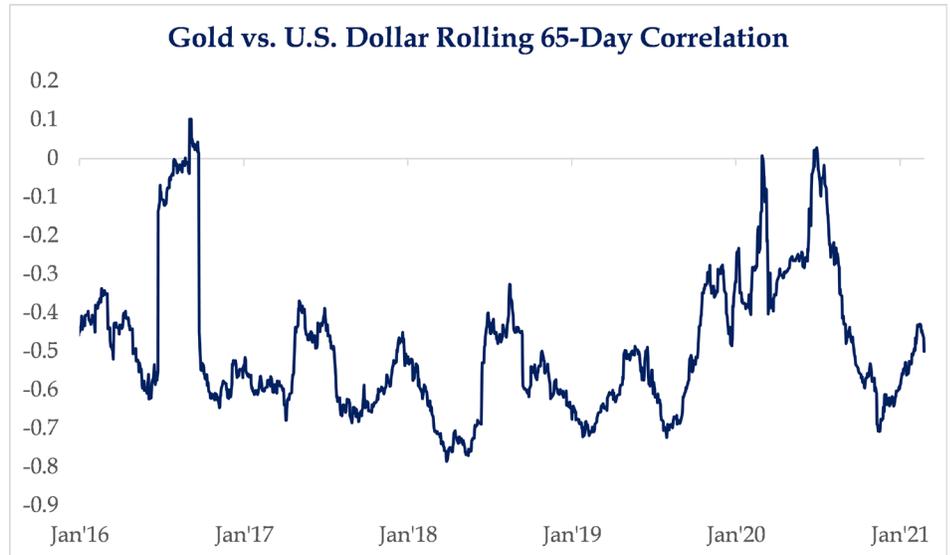
# Strategas Daily Macro Brief

Prepared by Strategas Securities, a Baird Company

## February 24, 2021

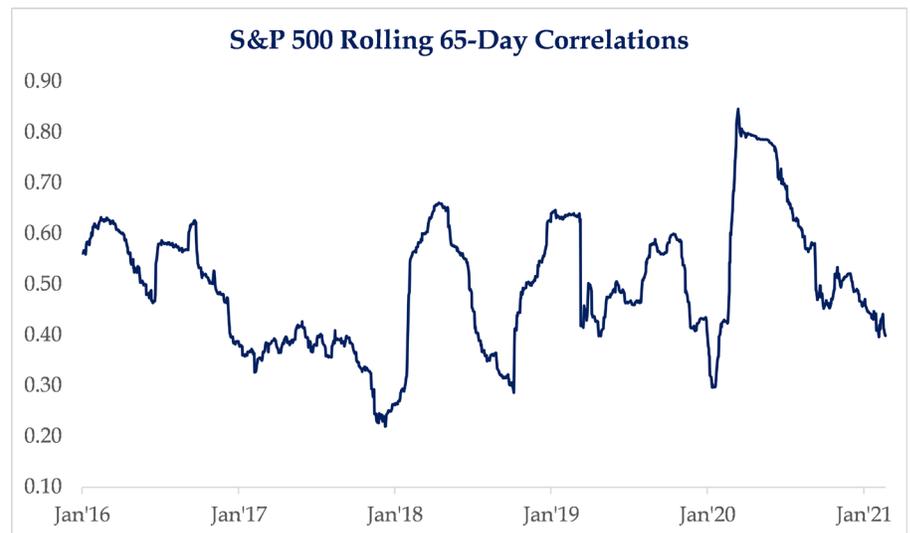
### DOLLAR WEAKNESS WILL LIKELY LEAD TO GOLD BID

Gauging rolling three-month correlations between the U.S. dollar and Gold, it is clear that, on average, an inverse relationship is present. In tandem with the recent extended weakness, Gold has experienced lately, it's important to watch how the U.S. dollar behaves going forward. While in the short-term gold remains a tough call, extended U.S. dollar weakness will likely lead to a durable bid for the yellow metal.



### S&P 500 65-DAY CORRELATIONS TRENDING LOWER

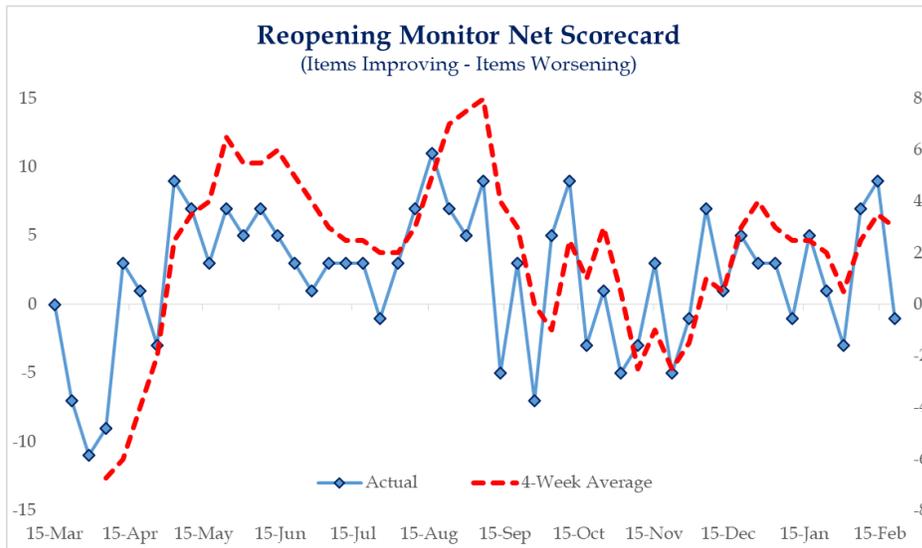
Despite the recent bout of market volatility, rolling 65-day correlations for S&P 500 stocks remain near post-crisis lows. While correlations tend to spike during market corrections, an extended episode of downside volatility has yet to take hold of the markets and spur correlations higher. This bears watching.



Please see the Appendix on page 3 for important disclosures.

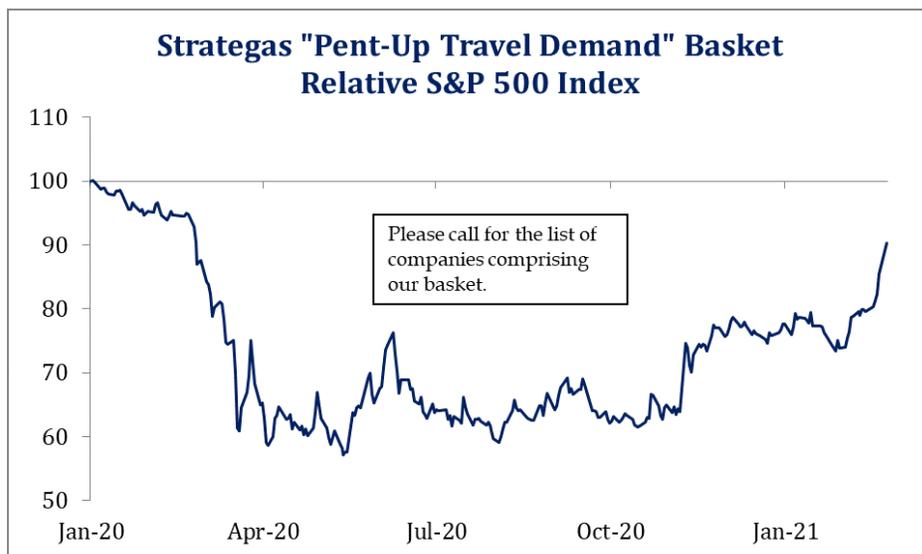
**REOPENING MONITOR SHOWING THE PROCESS IS CHOPPY**

We have received several requests for an update to our reopening monitor, and the latest data points show that while the four-week moving average remains off the lows, the week-to-week data will likely be choppy. Many of the reopening stocks are already beginning to price in a broader reopening later this year.



**PENT-UP TRAVEL DEMAND BASKET BREAKING OUT**

After trading sideways from basically mid-November to last week, our pent-up travel demand basket has decisively broken out. We continue to believe there is still room for these companies to move higher as currently benefitting from improved sentiment and the idea of reopening. As these companies' financial positions improve and restrictions are lifted, they could be winners for an extended period.



## APPENDIX – IMPORTANT DISCLOSURES

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