

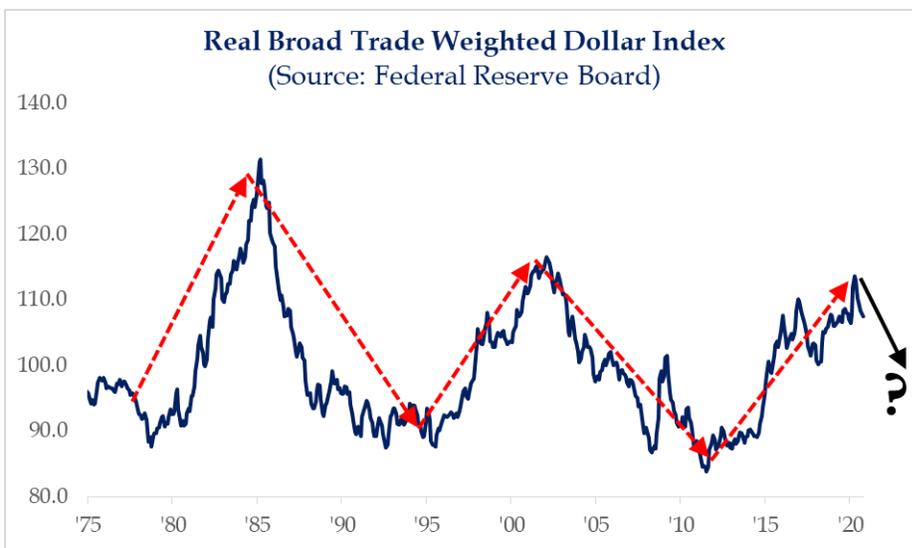
Strategas Daily Macro Brief

Prepared by Strategas Securities, a Baird Company

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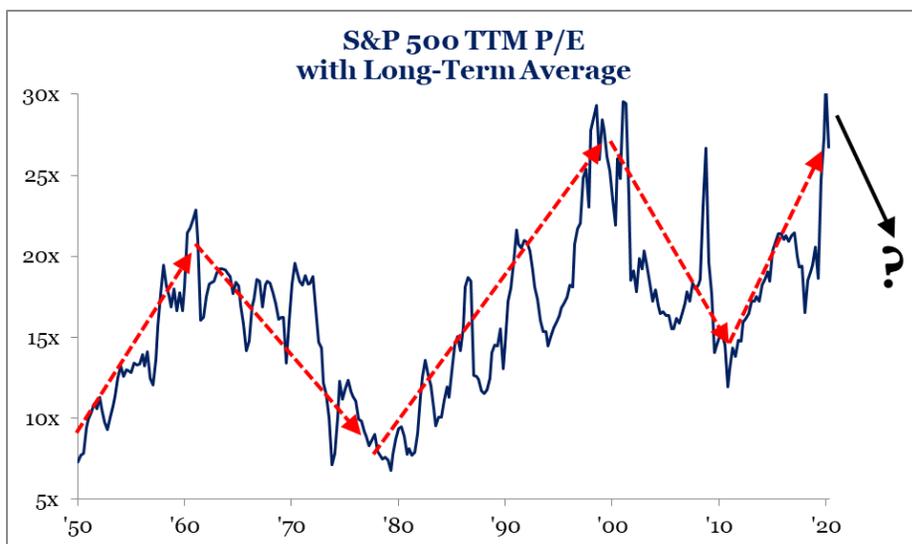
DOLLAR CYCLES SUGGEST AN EXTENDED PERIOD OF WEAKENING

All signs continue to point to a weaker dollar in the future as the expanding budget and trade deficits will have an impact for years to come. From the chart below, it would appear that we are in the early stages of the dollar's decline as these cycles have historically last for approximately 10-years.



LONG-TERM MULTIPLES MOVE-IN SECULAR FASHION

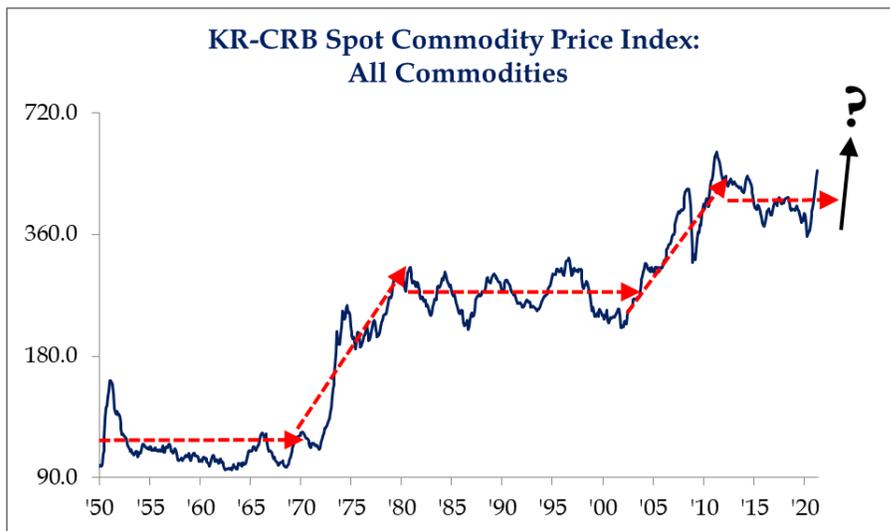
As earnings continue to recover from the trough levels seen in 2020, multiples will naturally compress, but a secular contraction phase could still be in the works. The prospect for higher corporate taxes, higher capital gains, a pick-up in inflation, and a possible rising rate environment are all secular headwinds for multiples.



Please see the Appendix on page 3 for important disclosures.

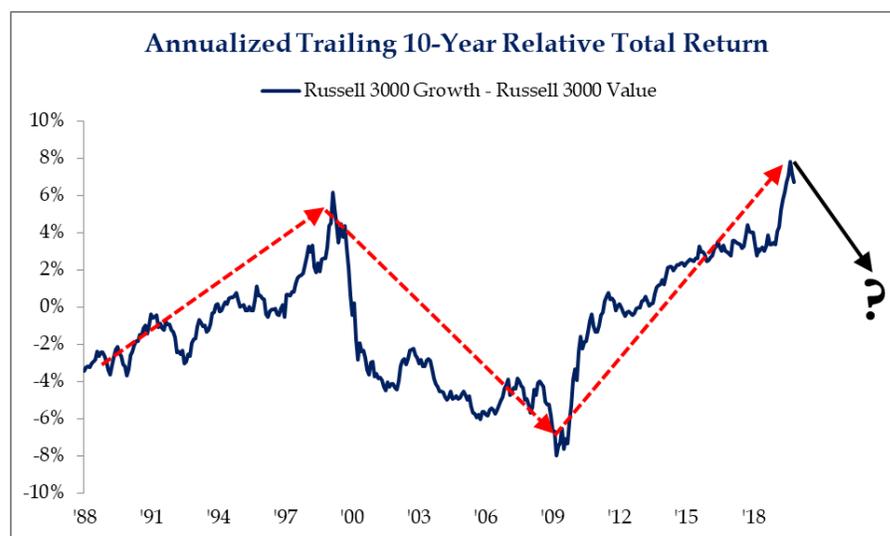
HISTORY SHOWS COMMODITIES MOVE SIDE-WAYS BEFORE THEY RALLY

If history repeats itself for commodities after a ten-year trend of sideways to down trajectory, the next secular trend appears to be begging with a rapid move higher. A weaker dollar, in all likelihood, would help the commodity landscape, which may provide a tailwind for the shirking energy sector.



THE OUTPERFORMANCE OF GROWTH & VALUE HAS MOVED IN ~10-YEAR CYCLES

With the return differential still exceeding two standard deviations, our 10-year rolling return differential between growth and value chart remains one of the most requested among clients. The 2016 election turned out to be a head fake concerning the reversal of the secular trend and once again performance appears to be turning. We are still waiting to see if this is the long-awaited return of value, but we at least appear to be at the nascent stages.



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