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Good Afternoon,

Markets continue to digest economic and corporate earnings news. While the latter has been very solid, the former is currently obsessed with inflation. Year-over-year inflation data in October showed an increase in consumer prices of 6.2%, the highest in 30 years. It is difficult to predict whether this is a temporary or long-term trend. The great experiment of shutting down the economy for almost a year has never been conducted before. What is clear is that demand has returned much faster than supply, causing significant disruptions to the global supply chain. While markets cheered the passing of the infrastructure bill, we wonder if it won't present more competition for supplies.

There are a lot of factors in the global supply chain disruption, and demand from U.S. households flush with cash from stimulus checks, booming stock markets and enlarged home equity is likely the biggest factor. And since consumer demand drives much of the U.S. and global economies, high demand has brought goods shortages to the U.S. and much of the world. Add the fact that companies are ordering — and hoarding — more goods and parts so they don't run out, and you end up with an almost unquenchable demand that is magnifying supply shortages. Politicians, economists and corporate executives are concerned about how we get back to supply chain equilibrium, and they should be.

Does the NFL have a gambling problem? Online sports betting has become widespread with fans betting on every aspect of games, teams, and individual players. The outcomes of its games are highly levered to the decisions of its referees, and fans are increasingly focused on referee decisions within the context of this pervasive gambling layer. With millions of dollars riding on every play of every game, there's a growing lack of confidence over the credibility of officiating and its influence on outcomes. All it takes is one bad ref or one egregiously suspect mistake to begin unraveling the gambling blanket the NFL has wrapped itself in. I bet it happens sooner than later.

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As always, if you would like to discuss this or anything regarding current market conditions or your portfolio, feel free to contact me at any time.

Have a great week and Go Bills!

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