

March 10, 2021

Good Afternoon,

The past week has seen the continuation of a recent trend in stocks. With the roll out of vaccines and anticipation of a normalizing economy, high tech stocks that soared in the pandemic have sold off sharply and the tech-heavy NASDAQ market saw a decline of more than 10% from its February high to Monday's closing. Conversely, stocks that cratered early and remained depressed through most of last year have been performing very well lately. We expect this rotation to fade as attention turns to the general growth of the economy rather than on individual sectors. It's time to stay balanced and stay invested.

Last week we discussed concerns about inflation as the main reason behind the bond market selloff and stock volatility. We are going to experience a bit of inflation in the short term as the economy slowly reopens. Perhaps the main cause and best example is the price of oil. The price of West Texas Intermediate (WTI) crude oil fell to \$22.76 a barrel as of 4/09/20 - 11 months ago. As of Friday 3/05/21, WTI crude oil closed at \$66.09 a barrel (source: NYMEX). With the price of oil tripling over the past year, it will factor into inflation numbers. But oil has likely stabilized and will level off along with inflation. For reference, oil is back to where it was priced in January 2020.

The American obsession with the royal conflict in Great Britain is rather fascinating. Remember that our founders fought a revolution to separate themselves and our fledgling country from the tyranny and control of the monarchy. Perhaps that's why we can't get enough of their personal travails; we secretly enjoy their suffering in the public eye. Or not. Either way, the next season of The Crown (on Netflix) appears to have a plot ready to go. Maybe Meghan can play herself.

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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.

Enjoy this warm weather!

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