

Thursday, April 1, 2021

Good Morning,

The first quarter of 2021 is in the books, and despite market volatility, stocks moved up during the quarter. Bonds fell back as a sharp rise in interest rates pushed prices down. Diversified portfolios generally had a decent return through March. The economy is slowly opening back up, and there is some concern that improving employment and massive Federal stimulus will result in inflationary pressures later in the year. Projections for economic growth in 2021 remain robust.

Some 42% of the \$1.9 trillion American Rescue Plan Act of 2021, (i.e., \$800 billion out of the \$1.9 trillion) is direct support that will be distributed to households in the form of stimulus payments, unemployment benefits and child tax credits. Based on recent US consumer buying habits, it is estimated we will spend \$360 billion of the \$800 billion on foreign imports. Chinese companies are predicted to sell Americans \$60 billion of the \$360 billion. Perhaps it should be called the Global Rescue Plan Act of 2021.

Two weeks ago, President Joe Biden said that “anybody making more than \$400,000 will see small-to-a-significant tax increase.” Biden wants the changes to be effective 1/01/22. Interestingly, US presidents are paid \$400,000 per year. Hmmmm.....

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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!

*Wade*

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