

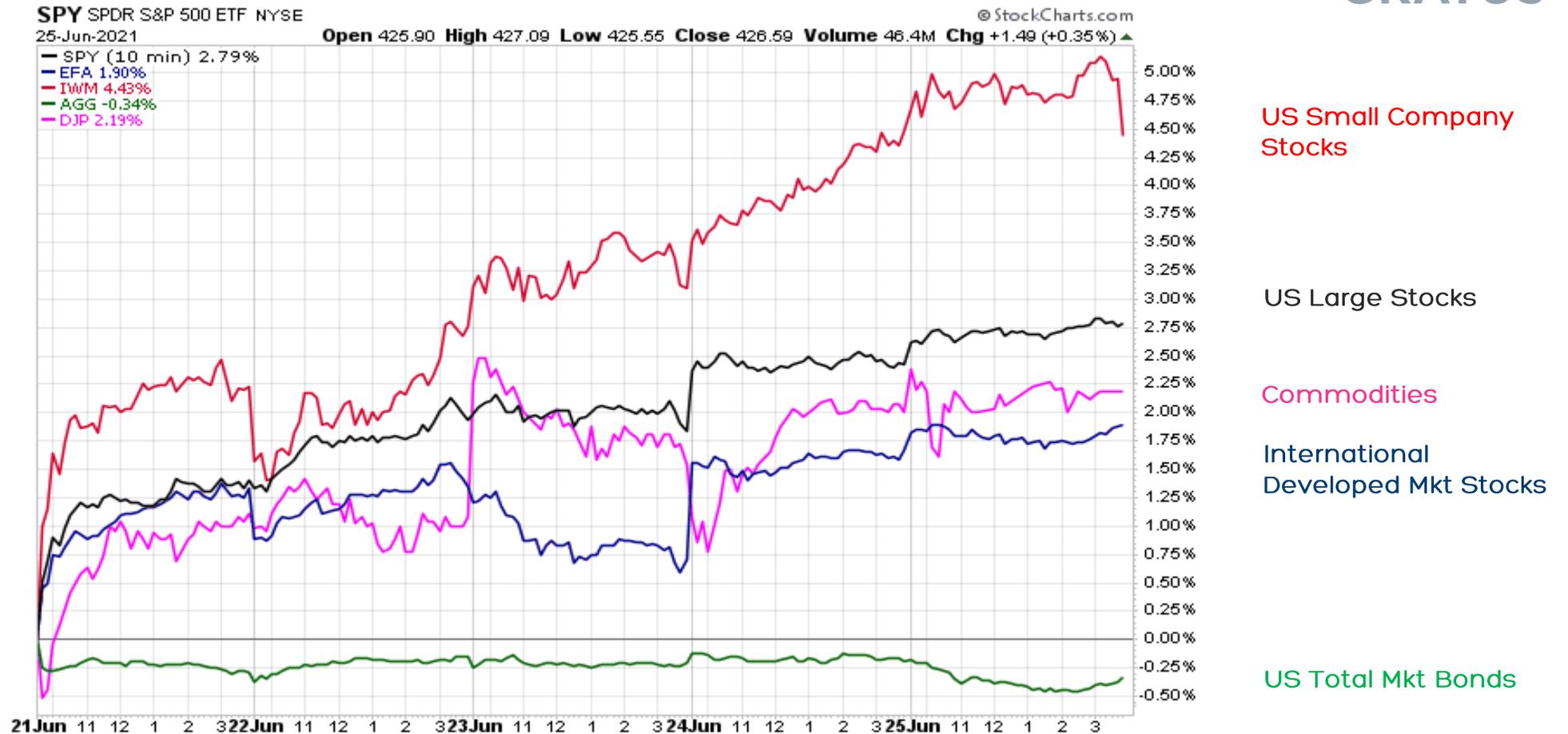


Two Minutes With Todd

Supporting Charts + Commentary

June 28th , 2021

Last Week's Performance



Another leg higher in financial markets (ex bonds), leading to new all-time-highs (ATH) in the S&P 500, Nasdaq 100, and Russell 2000 indices.

Chart #1: Bi Partisan Infrastructure Bill



Highlights

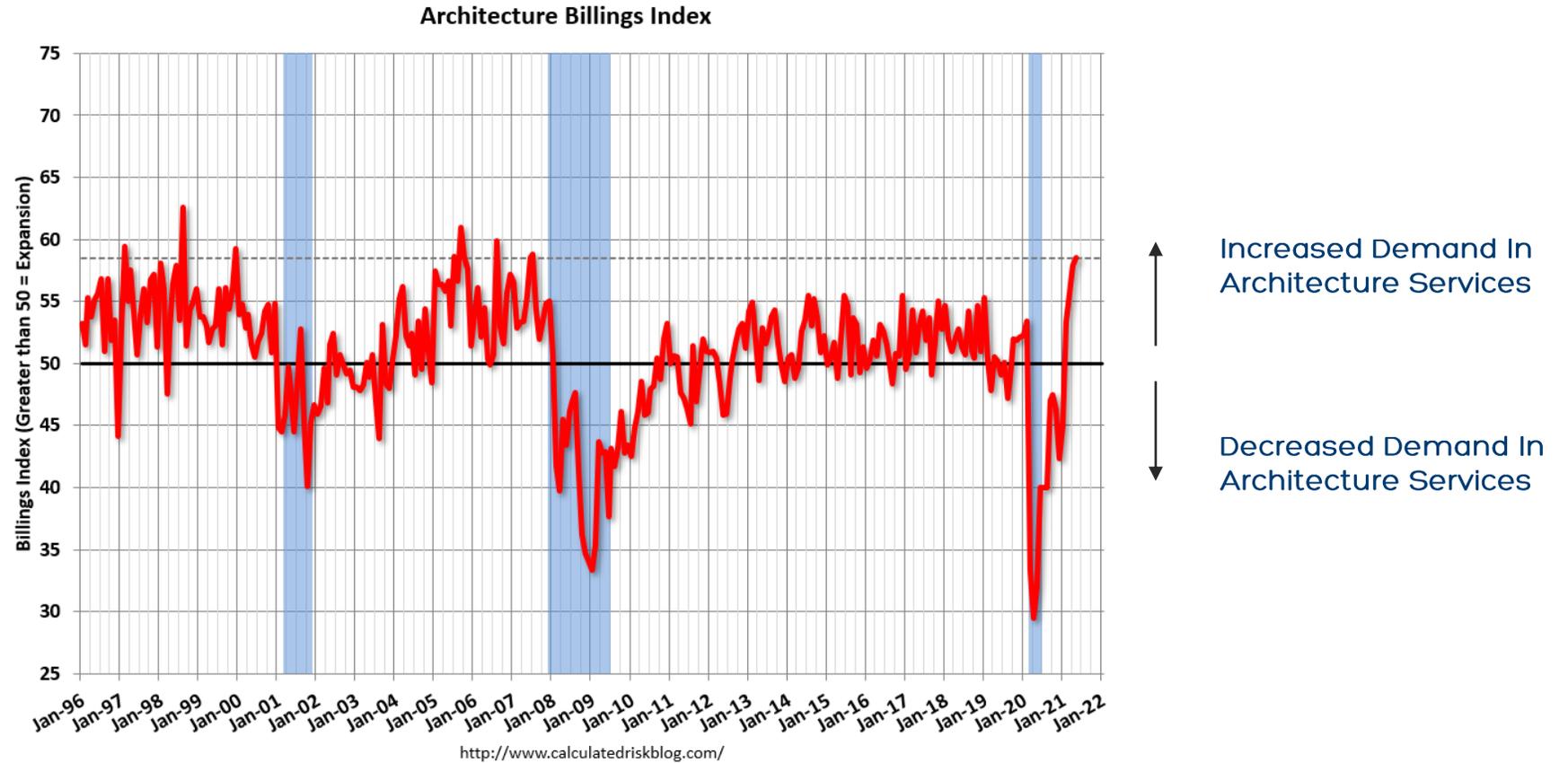
- Repair/replace at-risk bridges nationwide.
- Build a nationwide network of EV chargers (up to 500,000).
- Establishing the Grid Authority to provide oversight of the nation's power transmission grid.
- Establishing the Infrastructure Finance Authority (IFA)
- Make the Internet accessible to every American.

	Amount (billions)
Total	\$579
Transportation	\$312
Roads, bridges, major projects	\$109
Safety	\$11
Public transit	\$49
Passenger and Freight Rail	\$66
EV infrastructure	\$7.5
Electric buses / transit	\$7.5
Reconnecting communities	\$1
Airports	\$25
Ports & Waterways	\$16
Infrastructure Financing	\$20
Other Infrastructure	\$266
Water infrastructure	\$55
Broadband infrastructure	\$65
Environmental remediation	\$21
Power infrastructure incl. grid authority	\$73
Western Water Storage	\$5
Resilience	\$47

*New spending + baseline (over 5 years) = \$973B
*New spending + baseline (over 8 years) = \$1,209B

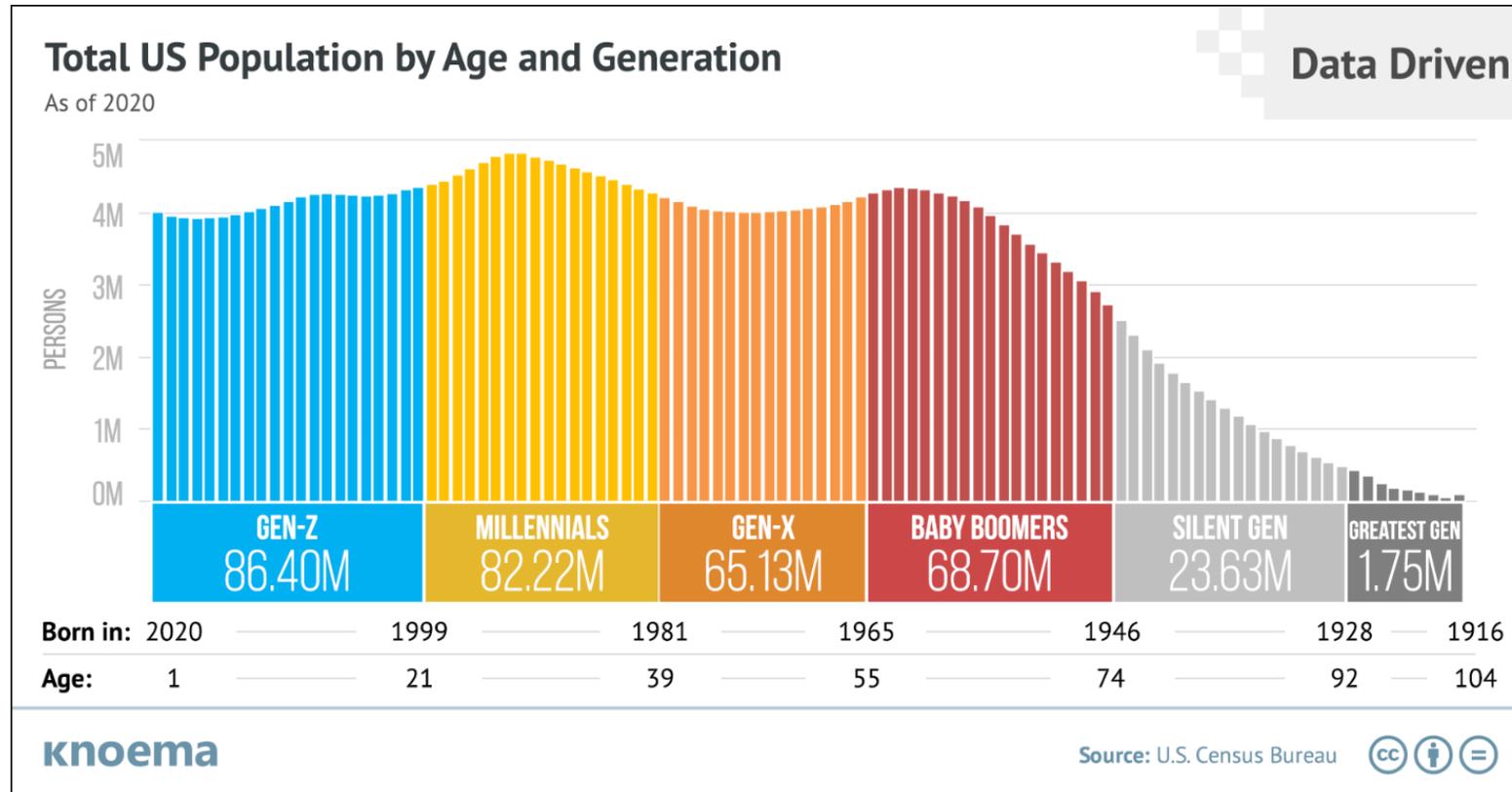
While the final version has yet to pass, a framework has been agreed-upon and it appears much less ambitious (and costly) than initially envisioned. This may account for the muted reaction from the bond market on announcement.

Chart #2: Leading Indicators Still Reflect Growth



Architecture Billings Index continues to reflect strong demand for commercial building projects (new/re-purposing). Businesses wouldn't be committing capital if they didn't see sustainable, longer-term demand.

Chart #3: Demographics Are Destiny



With Gen-Z and Millennials outnumbering Baby Boomers 2-to-1, we need to start thinking about how entitlements are likely to change. Younger generations are likely going to start questioning current benefits as budget issues become more acute.

Appendix

Correction / Recession Indicators



Commodities Trend (3M) ¹	Up	
High Yield Credit Spreads (579 bps ave) ²	308	
BBB Credit Spreads (172 bps ave) ²	108	
Yield Curve 10yr – 3M (175 bps ave) ²	144	
CBOE Put/Call Ratio (0.9 to 1.1) ¹	0.68	
Volatility Index (13-19 ave) ¹	15.6	
NYSE Advance/Decline Line (month/month) ¹	Up	

CNN Fear/Greed Index ³	Fear	
AII % Bulls Sentiment (39% ave) ⁴	40.4	
Chemicals Activity Barometer (y/y) ⁵	18.6%	
S&P 500 200 Day Moving Average Cross	No	
Total Positive	10 / 18	
Total Negative	5 / 18	

Continued Unemployment Claims ²	3,390	
GDP Nowcast ⁶	9.3%	
Case-Schiller HPI (y/y) ⁷	12.0%	
US ISM Manufacturing (y/y) ⁷	2.37%	
US ISM Services (y/y) ⁷		
Headline Consumer Price Index (y/y) ⁷	5.0%	
Leading Economic Index (m/m) ⁷	1.3%	

Sources: (1) Stockcharts.com, (2) St. Louis Federal Reserve FRED. (3) CNN.com, (4) American association of Individual Investors, (5) American Chemistry Counsel, (6) Atlanta Federal Reserve, (7) Factset

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