

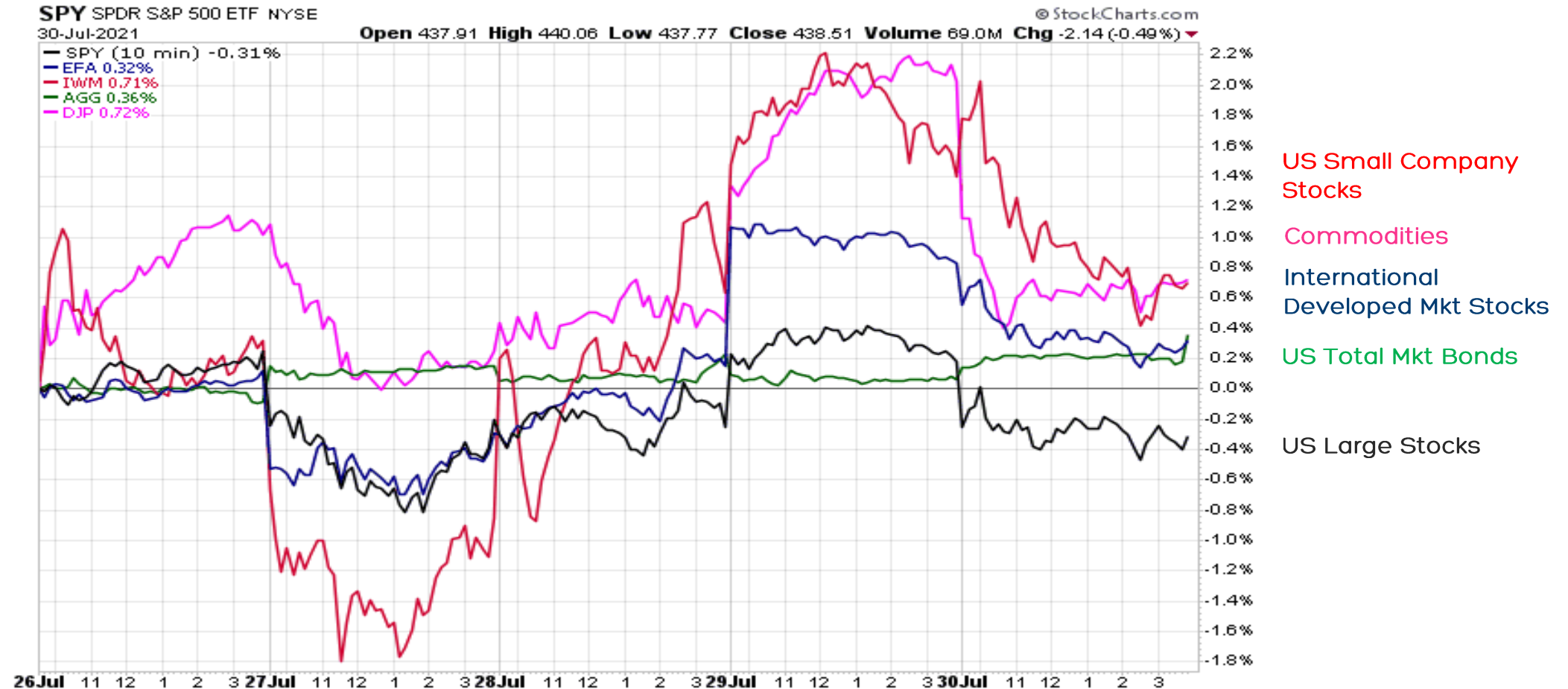


Two Minutes With Todd

Supporting Charts + Commentary

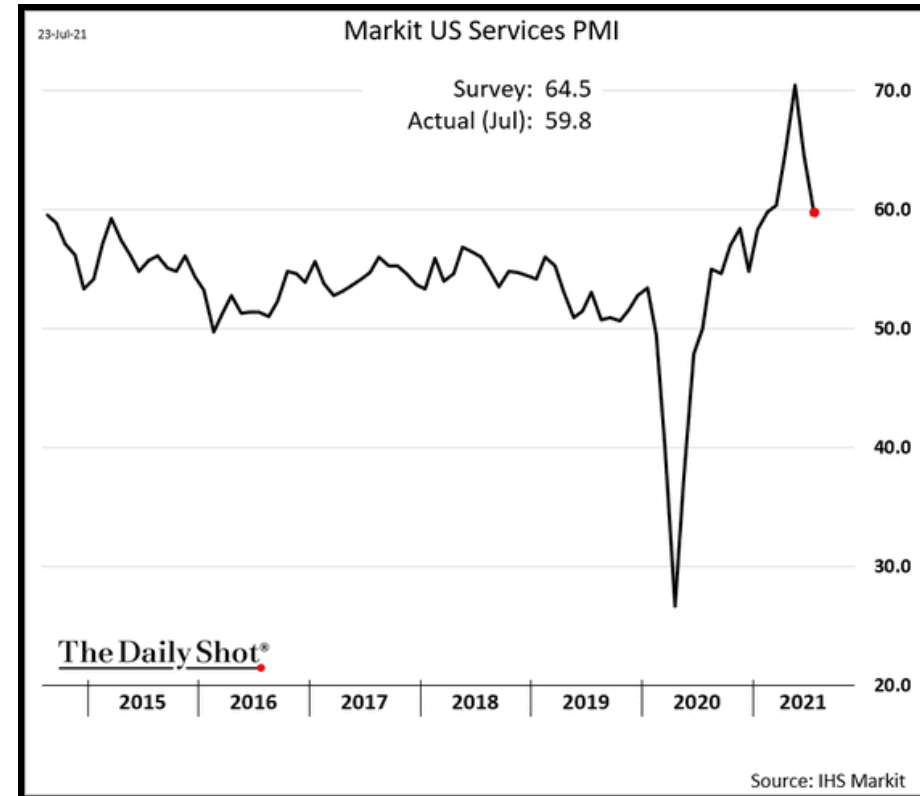
August 2nd, 2021

Last Week's Performance



Another week of strong, above-consensus earnings reports for Q2 2021, yet new highs weren't achieved by the indices. Weak performance on strong earnings can be an early warning signal of trouble ahead.

Chart #1: US Growth Is Still Strong But....



Overall economic data remains brisk, however some data is starting to give mixed signals. As the services sector data above suggests, “peak growth” may be in the rearview mirror, thus bonds may start to come alive again.

Chart #2: Chinese Equities.....

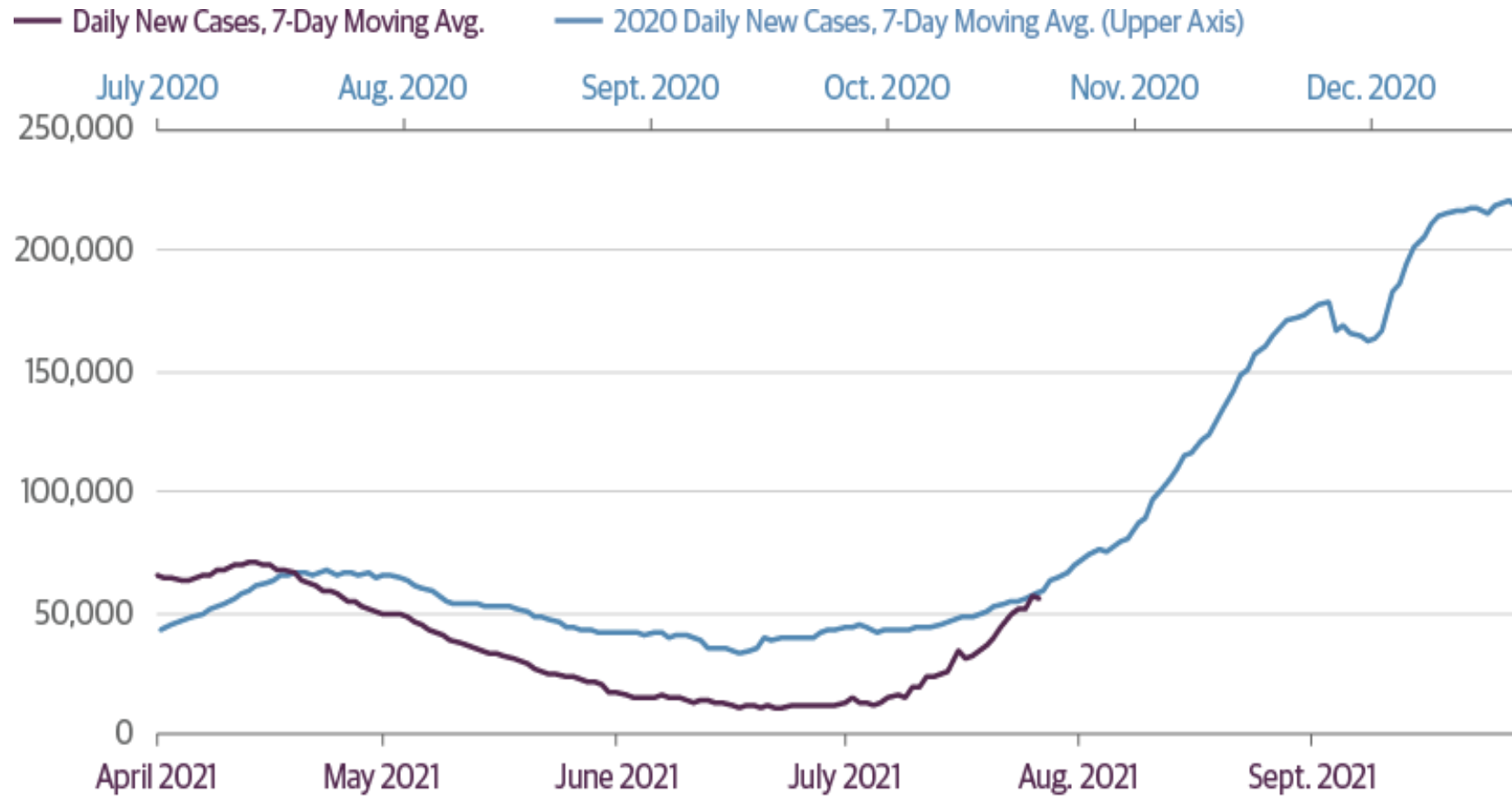


US Large Stocks

Chinese Large Company Stocks

Chinese equities have been trending lower for many months, but recent action by the Chinese government has significantly impacted prices. With the rules of investing changing, we continue to avoid Chinese markets.

Chart #3: COVID-19 Delta Variant Issue



We remain focused on how numbers are evolving as related to COVID 19. Despite how much we would like to ignore the delta variant, case counts are rising rapidly which could disrupt the recovery.

Appendix

Correction / Recession Indicators



Commodities Trend (3M) ¹	Up	
High Yield Credit Spreads (579 bps ave) ²	323	
BBB Credit Spreads (172 bps ave) ²	112	
Yield Curve 10yr – 3M (175 bps ave) ²	118	
CBOE Put/Call Ratio (0.9 to 1.1) ¹	0.83	
Volatility Index (13-19 ave) ¹	18.24	
NYSE Advance/Decline Line (month/month) ¹	Down	

CNN Fear/Greed Index ³	Ext Fear	
AII % Bulls Sentiment (39% ave) ⁴	36.2%	
Chemicals Activity Barometer (y/y) ⁵	18.6%	
S&P 500 200 Day Moving Average Cross	No	
Total Positive	11 / 18	
Total Negative	5 / 18	

Continued Unemployment Claims ²	3,269	
GDP Nowcast ⁶	6.1%	
Case-Schiller HPI (y/y) ⁷	16.6%	
US ISM Manufacturing (>50=+) ⁷	63.1	
US ISM Services (>50=+) ⁷	59.8	
Headline Consumer Price Index (y/y) ⁷	5.0%	
Leading Economic Index (m/m) ⁷	0.7%	

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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