

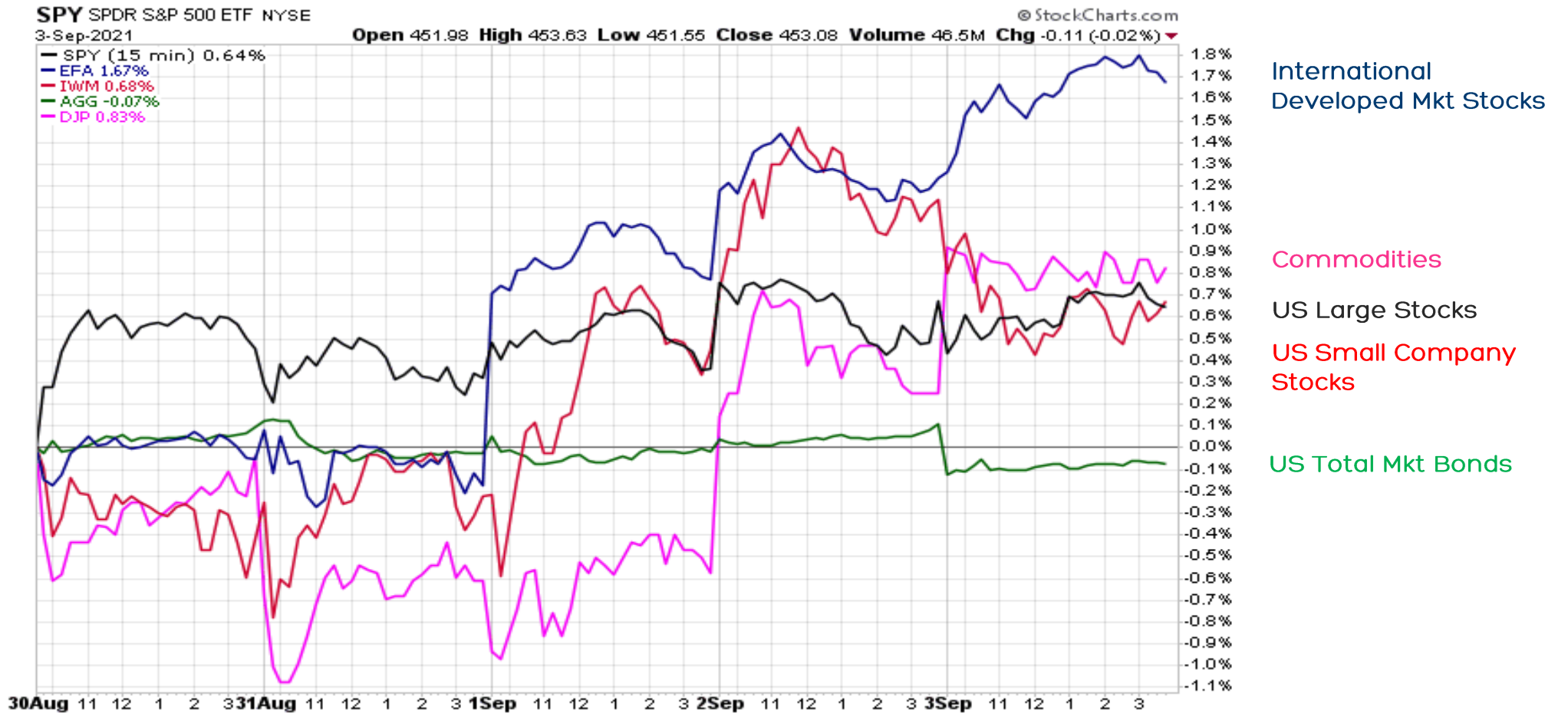


# Two Minutes With Todd

Supporting Charts + Commentary

September 7<sup>th</sup>, 2021

# Last Week's Performance



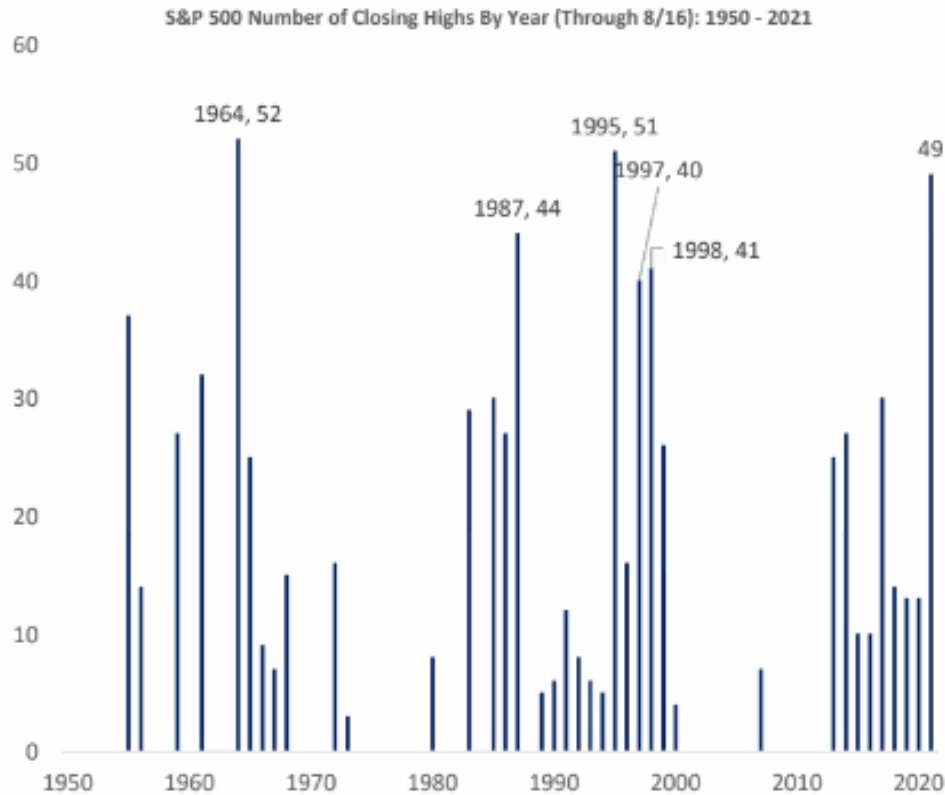
As markets move through the “seasonally weak” period, stocks continue to make new all-time highs. Further, the bond market remains unconcerned with inflation and has traded within a very tight range for the last three weeks. Momentum likely pushes stocks higher over the short term.

# Chart #1: Yield From Traditional Sources Is Getting Scarce



Persistent, low interest rates is providing support for the S&P 500 as the dividend yield of ~1.32% is currently higher than the 10yr US Treasury bond. We continue to find alternatives attractive relative to bonds.

# Chart #2: Market Momentum Remains Strong



Years With 40+ Record Highs Through 8/16

Year	S&P 500 Performance (%)				
	YTD Thru 8/16	8/16 Thru YE	Entire Year	Max Gain	Max Loss
1964	9.8	2.9	13.0	4.8	-1.3
1987	37.9	-26.0	2.0	0.8	-33.0
1995	21.9	10.0	34.1	11.0	-0.5
1997	21.6	7.7	31.0	9.2	-2.6
1998	9.5	15.7	26.7	16.8	-9.9
2021	19.1				
<b>Average</b>	<b>20.1</b>	<b>2.1</b>	<b>21.4</b>	<b>8.5</b>	<b>-9.5</b>
<b>Median</b>	<b>21.6</b>	<b>7.7</b>	<b>26.7</b>	<b>9.2</b>	<b>-2.6</b>
<b>All Years Since 1950</b>					
<b>Average</b>	<b>5.3</b>	<b>3.6</b>	<b>9.2</b>	<b>7.1</b>	<b>-6.3</b>

The S&P 500 could be entering new territory soon as momentum pushes to new highs. The chart on the right shows that we are within 3 closing highs of a new record. Interestingly, every time the S&P 500 breaches 40 days of new closing highs through August, the market is higher by ~3.5% through year end.

# Appendix

# Correction / Recession Indicators



Commodities Trend (3M) <sup>1</sup>	<b>Up</b>	
High Yield Credit Spreads (579 bps ave) <sup>2</sup>	<b>316</b>	
BBB Credit Spreads (172 bps ave) <sup>2</sup>	<b>114</b>	
Yield Curve 10yr – 3M (175 bps ave) <sup>2</sup>	<b>124</b>	
CBOE Put/Call Ratio (0.9 to 1.1) <sup>1</sup>	<b>0.68</b>	
Volatility Index (13-19 ave) <sup>1</sup>	<b>16.41</b>	
NYSE Advance/Decline Line (month/month) <sup>1</sup>	<b>Down</b>	

CNN Fear/Greed Index <sup>3</sup>	<b>Neutral</b>	
AII % Bulls Sentiment (39% ave) <sup>4</sup>	<b>43.4%</b>	
Chemicals Activity Barometer (y/y) <sup>5</sup>	<b>18.6%</b>	
S&P 500 200 Day Moving Average Cross	<b>No</b>	
Total Positive	<b>8 / 18</b>	
Total Negative	<b>7 / 18</b>	

Continued Unemployment Claims <sup>2</sup>	<b>2,748</b>	
GDP Nowcast <sup>6</sup>	<b>3.7%</b>	
Case-Schiller HPI (y/y) <sup>7</sup>	<b>20%</b>	
US ISM Manufacturing (>50= +) <sup>7</sup>	<b>59.9</b>	
US ISM Services (>50= +) <sup>7</sup>	<b>61.7</b>	
Headline Consumer Price Index (y/y) <sup>7</sup>	<b>5.4%</b>	
Leading Economic Index (m/m) <sup>7</sup>	<b>0.4%</b>	

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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