



POSITIVES		NEGATIVES	
ECONOMIC	<ul style="list-style-type: none"> US economy is gradually recovering Consumer optimism remains generally high Global PMIs have rebounded International currencies are strengthening Interest rates remain exceptionally low Inflation remains subdued Consumer personal savings rates are high Housing remains particularly strong 	ECONOMIC	<ul style="list-style-type: none"> Continued uncertainty surrounding Covid-19 Unemployment rate remains elevated Brexit future is uncertain Commodity prices turning higher Productivity growth remains uneven Increased business failures from Covid Hospitality and leisure remains under extreme pressure
FISCAL	<ul style="list-style-type: none"> Additional stimulus checks on their way Enhanced unemployment benefits will help PPP loans have been expanded Infrastructure projects may be on the horizon 	FISCAL	<ul style="list-style-type: none"> Government debt has ballooned State budget deficits are worrisome Protectionist policies have been ratcheted up Tax policy shifting against high earners and the wealthy Tariff talks potentially shift to Europe
MONETARY	<ul style="list-style-type: none"> Federal Reserve holding rates near zero Balance sheet growth keeping long term rates low Fed policy remains transparent Yield curve has steepened modestly 	MONETARY	<ul style="list-style-type: none"> Rising longer-term rates may pose a challenge Balance sheet remains stretched Higher inflation may cause policy re-think Make up of Fed Board may be changing
VALUATIONS	<ul style="list-style-type: none"> Corporate profits expected to rebound Companies buying back shares Stocks cheap relative to bonds International markets are trading at discount Corporate bond spreads continue to tighten 	VALUATIONS	<ul style="list-style-type: none"> Many global economies are in a recession Profit margin growth has lost momentum Stock gains largely driven by P/E expansion Broad market concentration in just a few names Credit spreads leave little room for error
GENERAL	<ul style="list-style-type: none"> Vaccine distribution facilitates economic growth Mortgage application trends remain strong Corporations emphasizing US manufacturing base US energy independence has been achieved Builder confidence surging on low inventories Financial system is highly capitalized Online sales continue to post very strong gains 	GENERAL	<ul style="list-style-type: none"> Income inequality at record levels Corporate tax increases impact future profits Quick twitch—algorithm driven—traders abound Regulatory environment expected to be less friendly Mistrust of Washington and Wall Street Continued risk of cyber-terrorism Uncertainty related to future policy decisions
CATALYSTS	<p>What will make us more bullish on equities?</p> <ul style="list-style-type: none"> Vaccines widely utilized and effective Market leadership broadens Trade tensions diminish Corporate profits surprise to the upside Corporations boost capital spending and hiring Merger activity accelerates Inflation pressures remain subdued 	CATALYSTS	<p>What will make us more bearish on equities?</p> <ul style="list-style-type: none"> Inflation accelerates to worrisome levels Synchronized global recession Housing prices turn down Interest rates spike Fed begins to raise rates earlier than anticipated Consumer confidence declines Foreign liquidation of U.S. debt Geo-political crisis—China, North Korea, Russia
SUMMARY	<p>Equity markets continue to provide long-term value but warrant near-term caution due to the negative impact of the Covid-19 virus. We continue to emphasize broad equity diversification, additional international exposure, strong balance sheets, and earnings and revenue visibility.</p>		SUMMARY