

### Our Fundamental View:

Headlines in February continues to tout both turmoil in the US political system, as well fear regarding the coronavirus pandemic. While half true, in that former President Trump has been impeached for the second time, the marked decline in new COVID cases is equally noteworthy – and, in our view, not being represented as optimistically as warranted.

Accordingly, while economic data continues to improve, we believe it may well surge dramatically once the US economy is fully back on track. Even President Biden has referred to this pandemic as a ‘war’, and we believe that once it is over the US economy could see a recovery similar to that of the 1950’s. And maybe even one with a brand new ‘baby boom’.

### Our Technical View:

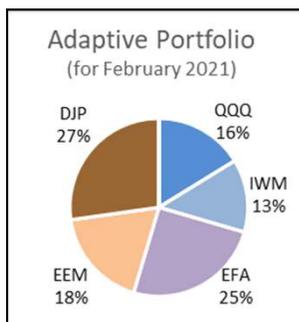
Technically speaking, stocks remain extremely strong with the new highs in the averages clearly being confirmed by market breadth & leadership. In fact, leadership (or the number of net new 52-wk highs) scored the highest reading ever last week – and by a wide margin. Powerful evidence that stocks are likely in a strong bull market.

Another reason we are so bullish on stocks is the (very strong) move in copper. It is widely believed that copper is the best real-time gauge of global GDP available, and copper’s strong uptrend suggests the world is indeed recovering.

Another macroeconomic barometer which is delivering a positive message is the action in the Chinese markets. While arguably a ‘world away’ from us in the US, China represents the 2<sup>nd</sup> largest economy in the world and the only not to contract in 2020. Another great spot to watch for leadership.

### Adaptive Model Update:

Our Adaptive Asset Allocation made a shift last month, replacing SPY with DJP. Current allocation are shown to the right, please feel free to contact if you have any questions on this, or any of our other strategies.



James Dondero, CFA  
Portfolio Manager

Mike Hurley, CMT  
Portfolio Manager



Charts courtesy of TradeStation, as of February 12, 2021

## About NexBank Wealth Management

NexBank Wealth Management is a privately owned, independent wealth manager located in Dallas, Texas. The team is led by award-winning investment professionals, with an average of 25 years of experience working with some of the world's most distinguished institutional clients and financial institutions. NexBank Wealth's actively-managed approach guides clients through complex and evolving markets. Contact our Client Services Team for more information.

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