NEXBANK WEALTH ADVISORS

APRIL 2021

OUR FUNDAMENTAL VIEW

Things continued to improve in March, with economic data surging while both COVID-19 cases and deaths remained low and contained. A good example being, the best <u>ever</u> PMI number being reported April 5th.

You wouldn't know it from the headlines however, with the Director of the CDC (Rochelle Walensky, MD) warning of "Impending Doom" in her press conference on March 29th. In our view, an irresponsibly chilling alarm, which we don't see supported by the actual data.

As we have noted for several months now, we remain optimistic the economic data will <u>continue</u> to improve. This may well be as dramatic as the post-war recovery of the 1950's, and one we believe will even include a brand new 'baby boom'.

The main risk to this scenario remains the incredible political tension we are seeing in the US, as well as the potential for massive amounts of debt associated with progressive government programs. Of course, only time will tell whether these initiatives will have been a good idea, or not.

Charts courtesy of TradeStation, as of April 8, 2021

OUR TECHNICAL VIEW

Technically speaking, stocks remain in a strong Bull Market. While there are many skeptics, there is no denying the S&P 500 is forming a pattern of 'higher highs and higher lows'.

Market internals such as breadth & leadership remain strong, and are clearly confirming the new high in the S&P. Given the average 'bull' lasts 35 months, we continue to believe this one is in the early innings of the game.

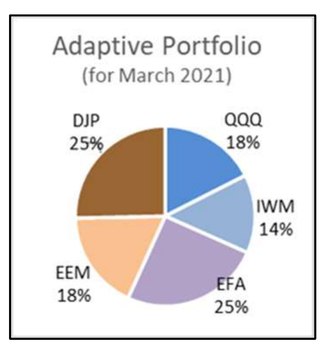
Finally, while in great shape longer term, it can be argued the market is extended and ripe for a pullback. We wouldn't disagree, and would point to the Chinese market which *has been* correcting. The MCHI ETF is still holding the area of support we noted last month, and we believe remains a 'key canary' for equity markets worldwide.

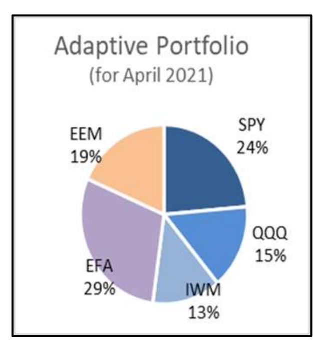
James Dondero, CFA	**Mike Hurley, CMT**
Portfolio Manager	**Portfolio Manager**

ADAPTIVE MODEL UPDATE

As you can see to the right, our Adaptive Asset Allocation model shifted out of commodities last month (DJP), in favor of a larger exposure to US equities. In general, it continues to maintain a very heavy equity exposure, now being at our maximum 100%.

Please feel free to contact if you have any questions on this, or any of our other strategies.





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