

Market Outlook:

Out of the bunker

Everyone knows by now that the economy has been profoundly affected by a once-in-a-lifetime viral pandemic. We must now come to accept that politics, economics, and health have been indelibly changed. Exactly what those changes are or how they will unfold in the future is the great mystery.

More people are working from home; fewer are patronizing business; and technology is evolving to keep pace with the times. Jobs have been lost and others created...both at record pace. Industries are evolving, disintegrating, or closing altogether while others are only being born. Educational institutions are finding their way back to "normal". The recuperation of our personal relationships is far from complete.

There are examples of how the generations are responding differently to the crisis. The young have a lifetime to adapt, the older population has lost a limited number of years to reflect. Either way, these are extraordinary times.

Unfortunately, the health pandemic has also exacerbated gaps that existed in other areas of our lives...gaps in pay, wealth, equality, and opportunity. Finding solutions to these issues is not for the meek or complacent.

As investors ponder the future the answers can be found in their methodology, their timeline of evaluation, and their level of patience and perspective. The Covid outbreak has made everyone more aware of a finite lifespan, as well as one's place in the world around them. Menial things and daily gratitude have taken on a whole new meaning.

the long view

Consumer optimism is still high, but somehow undirected. Having a day-by-day approach to things hinders the effectiveness of an investment plan for the future. Nightly news headlines are not conducive to building a solid portfolio. It is vital to take the measure of things from a wider aperture...earnings, capital appreciation, and asset allocation. Consider that the setbacks we have just experienced might have a net positive effect upon how we construe things going forward. If we seize the chance to refocus it is possible that entrepreneurship and opportunity could flourish for the next two decades and beyond. Capital always seeks a vacuum. For all the concerns about geopolitics, global competition, and sustainability, the search for comprehensive solutions to the problems of our globe portend a fascinating investment landscape.

These things are not simply matters of economics, finance and government. The fundamental of all society is that people can work together to benefit each of its members. The answers lie in our moral compass and commitment to others.

Thus, we see potential in the emerging markets as well as the mature ones. Growth and innovation are borderless and class nondescript. Currency deployed effectively will build infrastructure, feed the hungry, provide for the common defense, educate the needy, advance technology, and find cures for rare diseases. That looks like a pretty hefty portfolio alignment to us.

Despite our optimism about the data, there are always roadblocks to overcome...in the short term and long term. Dips in the market will occur, we can assure you of that. However, the current angle of ascent of the economy and the financial markets is strong and probable to maintain.

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