



## Market in a Minute April 20, 2021

### Index Performance: As of April 16, 2021

Index	Price	Last Week	YTD
S&P 500	4,185.47	1.37%	12.15%
Dow Jones	34,200.67	1.18%	12.47%
NASDAQ	14,052.34	1.09%	9.19%
Russell 2000	11,626.41	0.86%	14.57%
Russell 2000 Growth	11,133.73	0.79%	6.21%
Russell 2000 Value	15,977.97	0.94%	23.67%
Russell 1000 Growth	2,632.01	1.78%	8.90%
Russell 1000 Value	2,130.90	1.21%	16.06%
SPDR Gold Shares	166.35	1.89%	-6.39%
GS Crude Oil Total Return	90.01	9.77%	73.10%
Invesco DB US Dollar Index Bullish Fund	24.65	-0.64%	1.99%
Powershares US \$ Index	79.29	1.67%	7.85%
Ishares EAFE Index	139.26	1.27%	-11.58%
iShares Barclays 20+ Yr Treasury Bond	67.21	3.69%	8.79%
Utilities Select Sector ETF	96.12	2.54%	14.27%
Vanguard REIT ETF	36.11	1.49%	14.02%
Alerian MLP ETF	31.33	1.10%	22.96%

### A Word on the Market

By: Patrick Adams, CFA



In the PVG March 16<sup>th</sup> “Market in a Minute” we said two things that have played out, on a technical basis, the market needed to break through a resistance on the S&P 500 of around 3943 otherwise the support was 3750. **The S&P 500 obvious broke through that resistance level and is now close to our best-case scenario of 4275. On Friday, the S&P 500 hit a high of 4185, 2% from our year-end 2022 target.** On our fundamental valuation basis, there is not much upside in the market. We also discussed that our upside target of 4275 for the S&P 500 was based on much better-than-expected earnings of \$225 for 2022 versus consensus of \$200. **The economy has been stronger than the market expected, but as we expected. The expectation of strong growth is largely discounted by the market.** At this point, the thing that has changed from our expectations since March 16<sup>th</sup> it appears Biden maybe willing to accept a lower tax increase of 25% rather than 28%.

**We mentioned last week the bank earnings were going to be very strong, were they ever, J.P. Morgan beat the consensus by a whopping 53%! But the stock is flattish...already priced in.**

On a technical basis, the market has been overbought for about three weeks now. This has allowed the market a significant enough run that a pullback is justified. Below is a one-year chart of the S&P 500 in blue, 20-day moving average in red, 50-day in green, 200-day in purple. **You can see every time the S&P 500 gets too far out in front of the 20-day it pulls back to the 50-day. Based on this repeating pattern the chances of a 5% pullback seem likely when combined with our fundamental view of limited near-term upside.**

<b>iShares Global Telecom</b>	84.35	0.74%	14.30%
<b>ETFMG Alternative Harvest ETF</b>	21.09	-5.47%	44.06%
<b>BitCoin Investment Trust</b>	51.37	3.46%	56.14%
<b>Shanghai SE Index</b>	3,426.62	-0.70%	-2.18%

Source: Bloomberg & Yahoo.com, Returns are appreciation only.

S&P Sector Performance: As of April 16, 2021			
Index	Price	Last Week	YTD
Information Technology	2,517.31	1.06%	10.19%
Consumer Disc.	1,440.19	2.04%	10.55%
Consumer Staples	717.35	1.33%	3.84%
Health Care	1,415.24	2.88%	8.11%
Financials	588.09	0.72%	21.50%
Industrials	101.14	0.63%	17.05%
Energy	365.19	0.23%	26.59%
Communications Services	251.93	-0.01%	14.62%
Utilities	341.56	3.66%	8.75%
Materials	518.94	3.24%	14.33%
Real Estate	258.78	2.62%	14.99%

Source: Bloomberg website, Returns are appreciation only.

Interest Rates			
Fed Fund	.25	5-Year	0.84
3-Month	0.02	10-Year	1.56
6-Month	0.04	30-Year	2.26
2-Year	0.16		

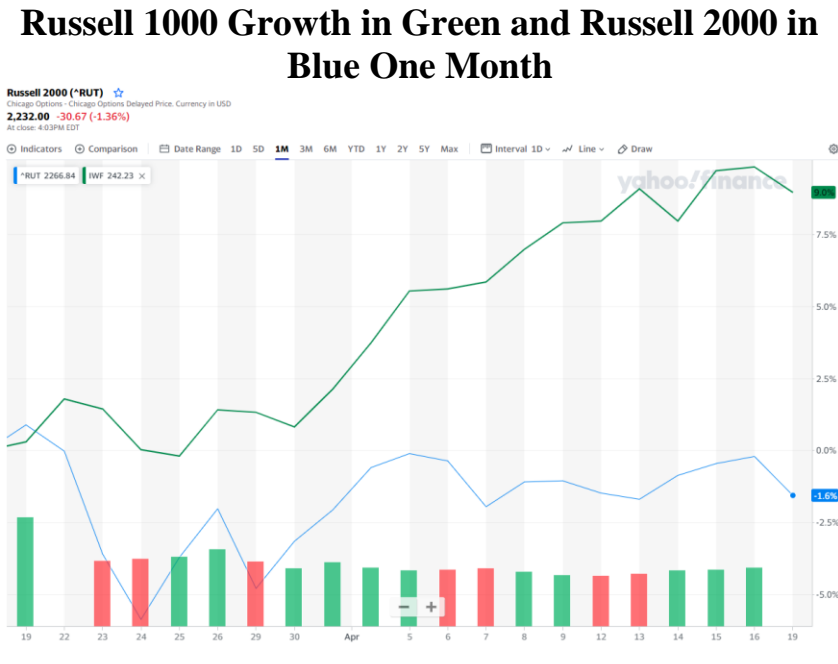
Source: Bloomberg.com

Economic Events This Week			
Apr-20	CPI q/q	0.8%	0.5%
Apr-21	Overnight Rate	0.25%	0.25%



In the past month, the **Russell 1000 Growth** has strongly outperformed the small cap index, the **Russell 2000**, by 10.6%, that is very significant. There is an old Wall Street adage that “The generals cannot get too far out in front of the troops or they get slaughtered”.

Perhaps the market has a little rotation into small cap before it pulls back or has a correction.



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<b>Apr-22</b>	Unemployment Claims	635K	576K
<b>Apr-23</b>	French Flash Services PMI	46.6	48.2
<b>Apr-23</b>	German Flash Manufacturing PMI	65.8	66.6
<b>Apr-23</b>	German Flash Services PMI	51.1	51.5
Source: Briefing.com			
Economic Events Last Week			
Event		Date	
After March stimulus checks, U.S. budge deficit climbs to \$660 Billion		Apr-12	
U.S. consumer price index hits 2 ½ year high		Apr-13	
U.S. industrial output rebounds in March		Apr-15	
America faces dire housing shortage causing New-home construction to rebound		Apr-16	
Source: Briefing.com			