



Halftime Report 2021

Michael Clark
President

Investment Advisor Representative. Securities and advisory services offered through Cetera Advisor Networks LLC, member FINRA/SIPC, a Broker/Dealer and a Registered Investment Adviser. Cetera Advisor Networks LLC is under separate ownership from any other named entity.
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Agenda

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Review**

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Inflation and
Interest Rates

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Disruptive
Technologies

More Questions than Answers

Inflation: Permanent or Transient? What about interest rate hikes?



Los Angeles Times

Amid inflation worries, Fed signals an earlier increase in interest rates



More Questions than Answers

Can stocks keep climbing?

yahoo!finance

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Financial Experts Warn of Imminent Market Crash — How to Safeguard Your Portfolio

Forbes

May 21, 2021, 09:05am EDT | 96,264 views

Will The U.S. Stock Market Crash In 2021?

Dow Jones Industrial Average (^DJI)



Can we trust the media?

More Questions than Answers



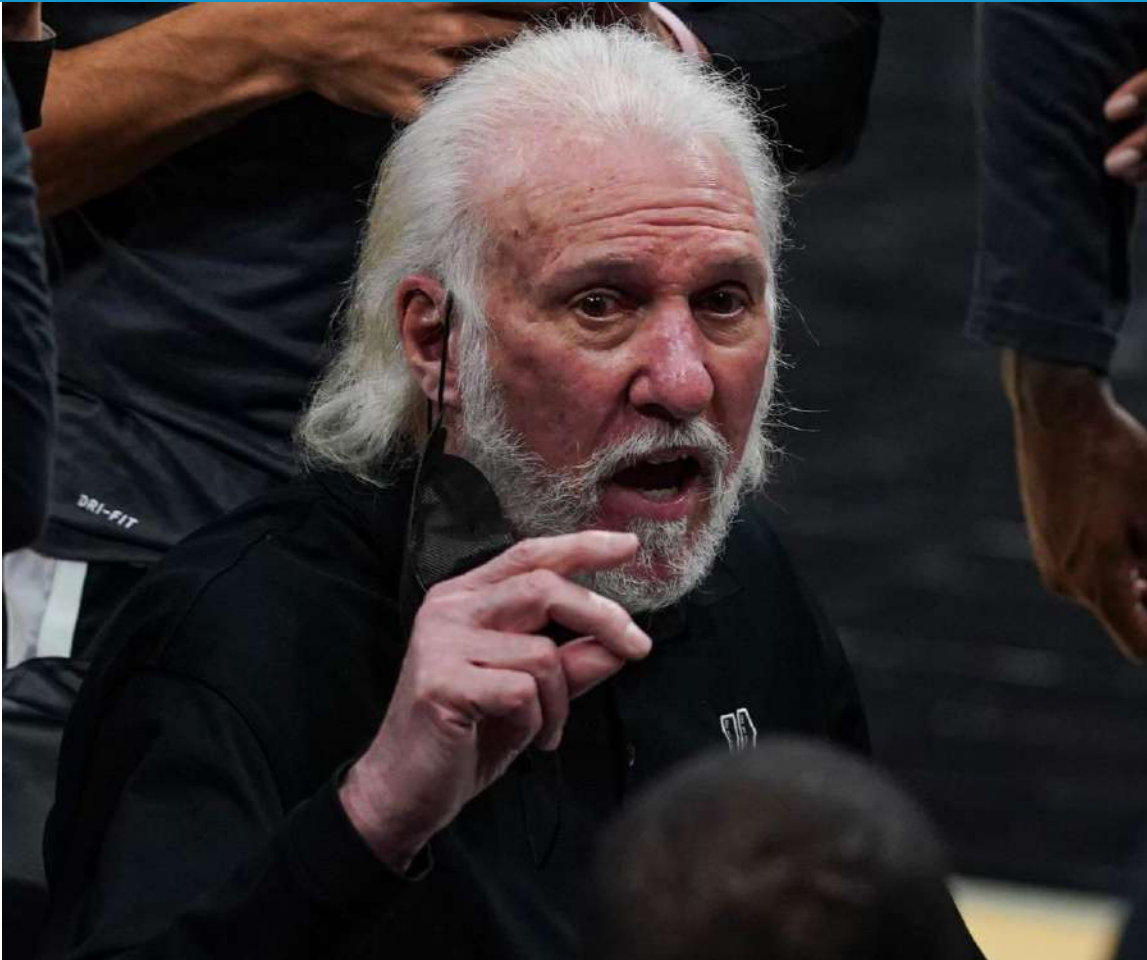
When will the Fed begin “tapering?”

More Questions than Answers



Will Congress pass an Infrastructure Bill?

More Questions than Answers

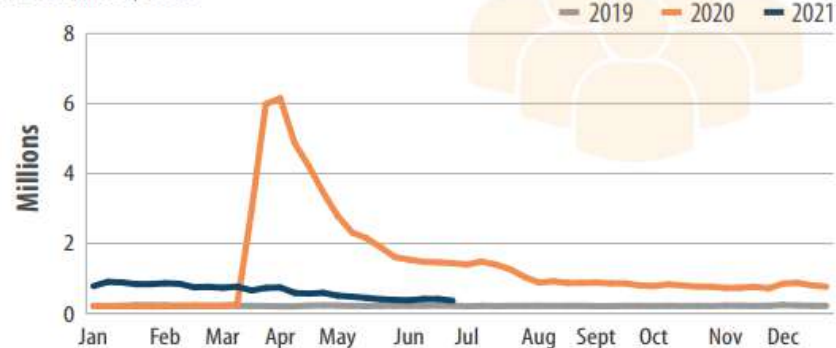


Why is Coach Pop's hair so long?

First Half in Review... The Numbers

INITIAL JOBLESS CLAIMS

As of June 25, 2021



Sources: Bloomberg, Department of Labor, First Trust Advisors

CONTINUING JOBLESS CLAIMS

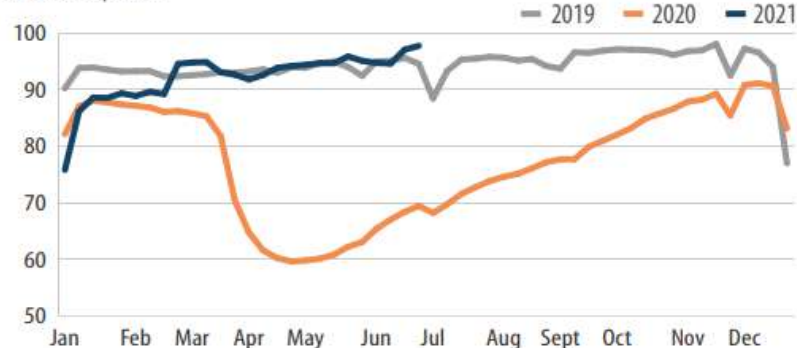
As of June 18, 2021



Sources: Bloomberg, Department of Labor, First Trust Advisors

ASA STAFFING INDEX

As of June 28, 2021



Sources: American Staffing Association, First Trust Advisors

WEEKLY RETAIL SALES

As of July 3, 2021

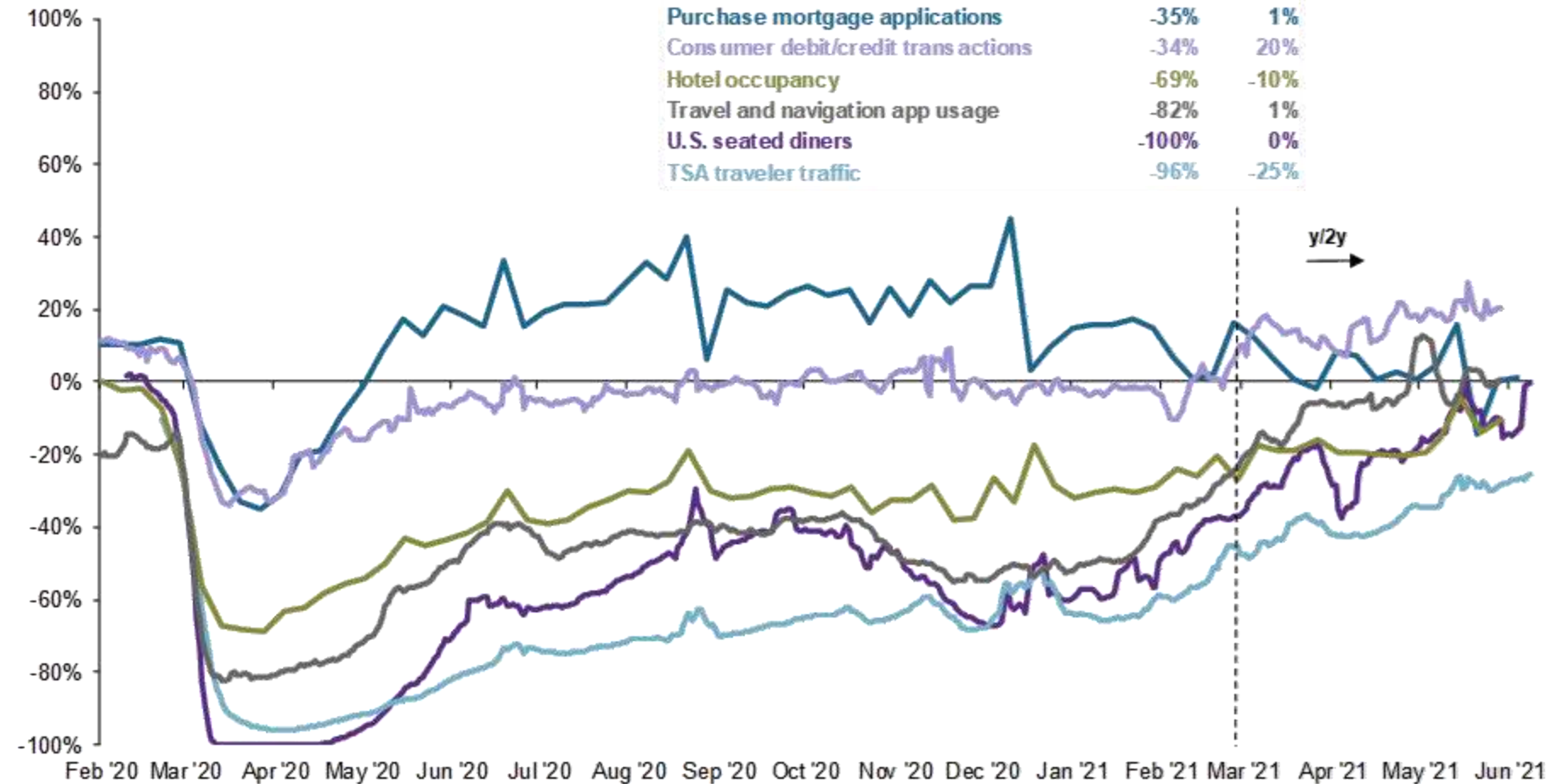


Sources: Bloomberg, Redbook Research, First Trust Advisors

High-frequency economic activity

High-frequency data

Year-over-year % change; Year-over-2 year after 3/15/21*

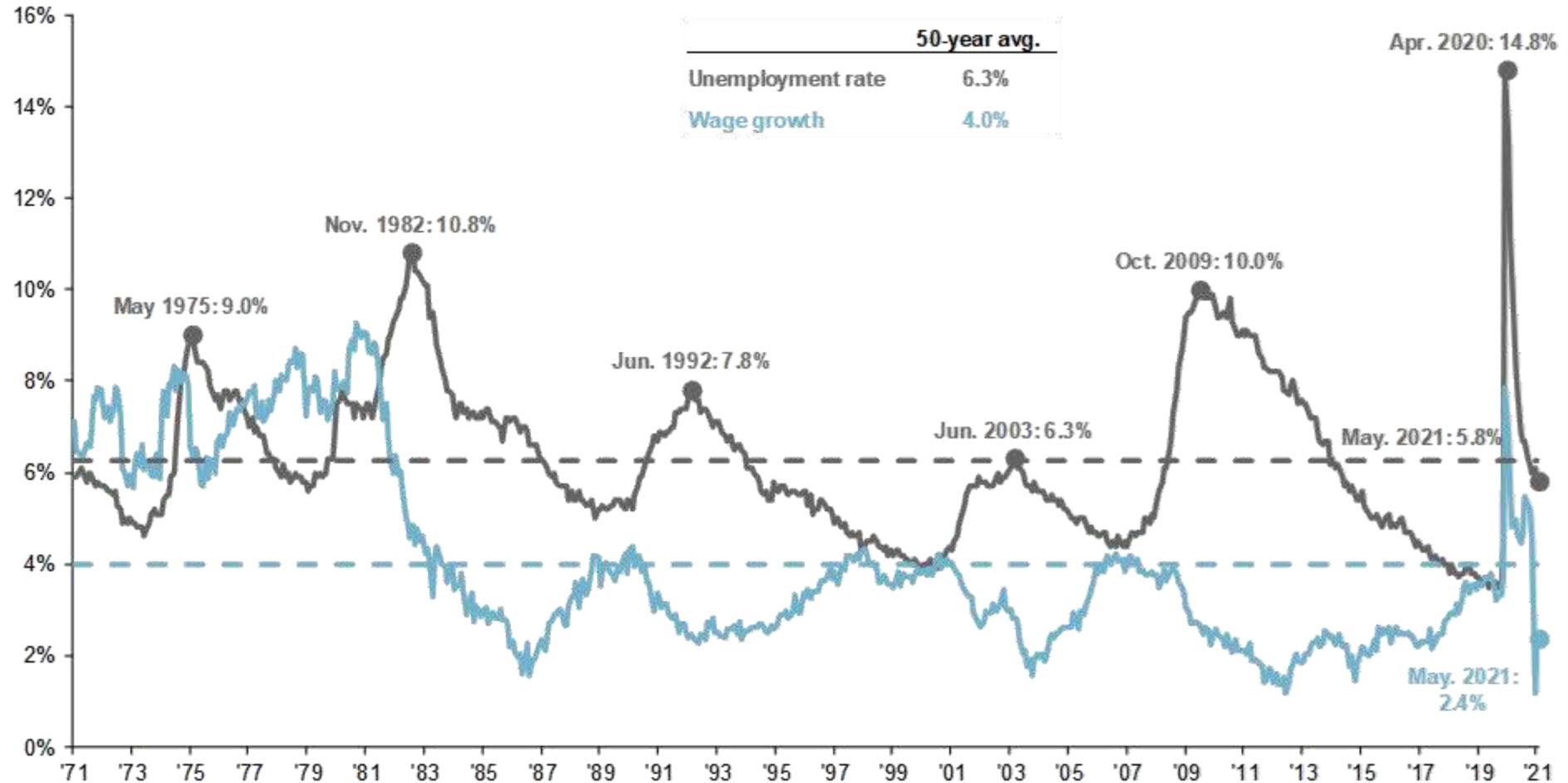


Source: App Annie, Chase, Mortgage Bankers Association (MBA), OpenTable, STR, Transportation Security Administration (TSA), J.P. Morgan Asset Management. *Beginning March 15, 2021, all indicators compare 2021 to 2019. Prior to March 15, 2021, figures are year-over-year. Consumer debit/credit transactions, U.S. seated diners and TSA traveler traffic are 7-day moving averages. App Annie data is compared to 2019 average and includes over 600 travel and navigation apps globally, including Google Maps, Uber, Airbnb and Booking.com. Consumer spending: This report uses rigorous security protocols for selected data sourced from Chase credit and debit card transactions to ensure all information is kept confidential and secure. All selected data is highly aggregated and all unique identifiable information—including names, account numbers, addresses, dates of birth and Social Security Numbers—is removed from the data before the report's author receives it.
Guide to the Markets – U.S. Data are as of June 23, 2021.

Unemployment and Wages

Civilian unemployment rate and year-over-year wage growth for private production and non-supervisory workers

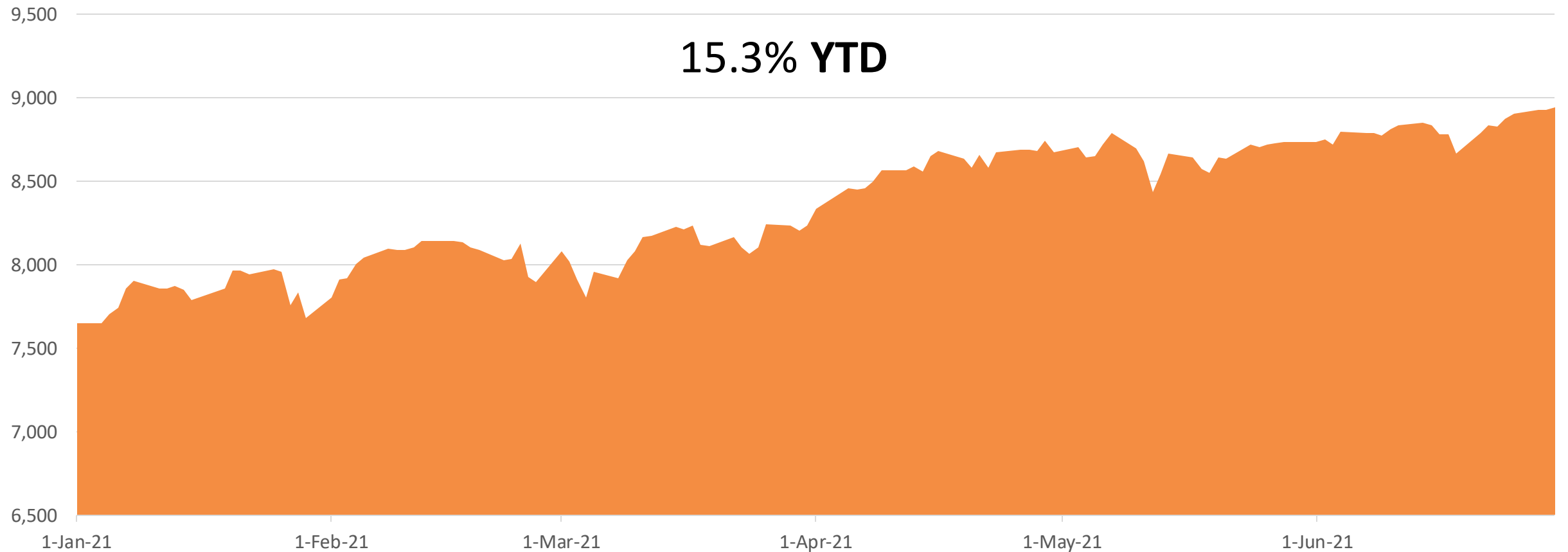
Seasonally adjusted, percent



Source: BLS, FactSet, J.P. Morgan Asset Management.
Guide to the Markets – U.S. Data are as of June 23, 2021.

Stock Market Update

S&P 500 Total Return Index January 1, 2021 – June 30, 2021



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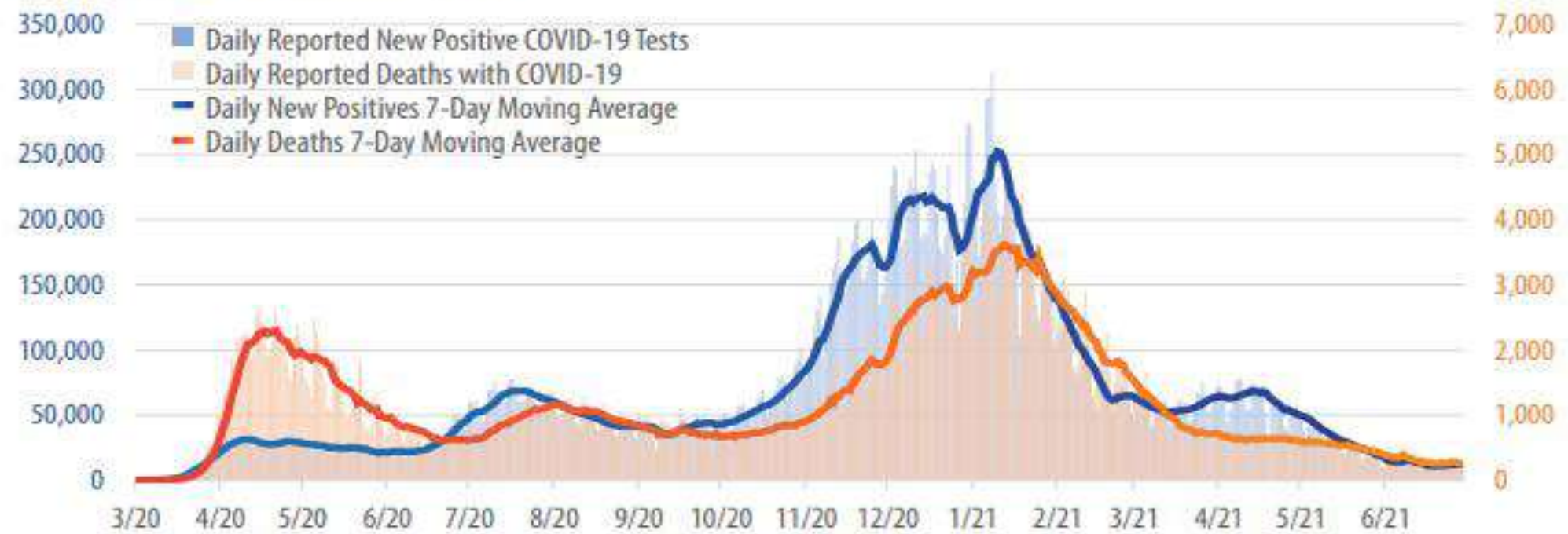
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Disruptive
Technologies

COVID-19 Tests and Deaths

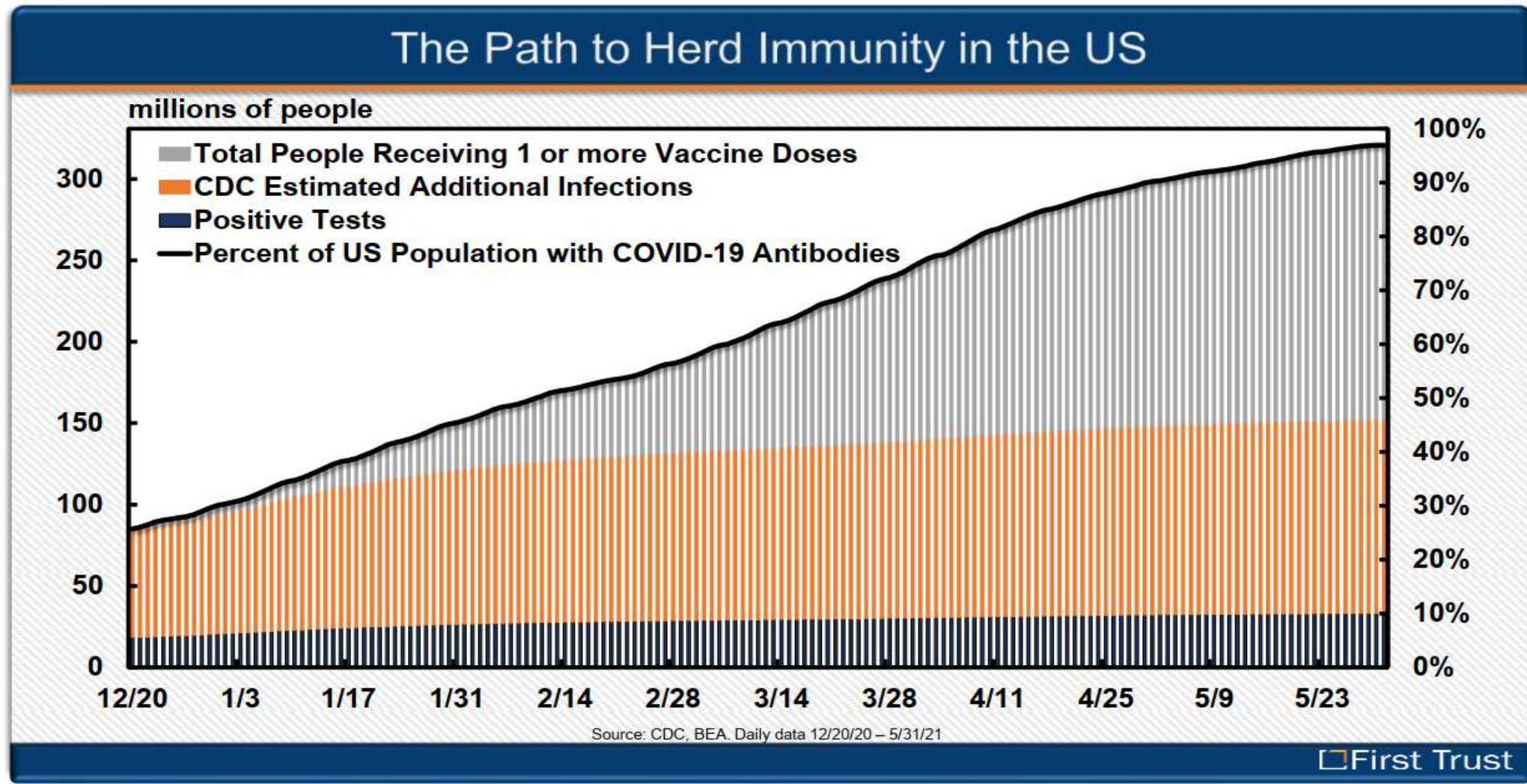
Daily Reported New Positive COVID-19 Tests vs. Daily Reported Deaths from COVID-19 in the U.S.

March 1, 2020 - June 29, 2021



Sources: CDC.gov, First Trust Advisors

Herd Immunity May Be Here



C-19 vs Flu Deaths

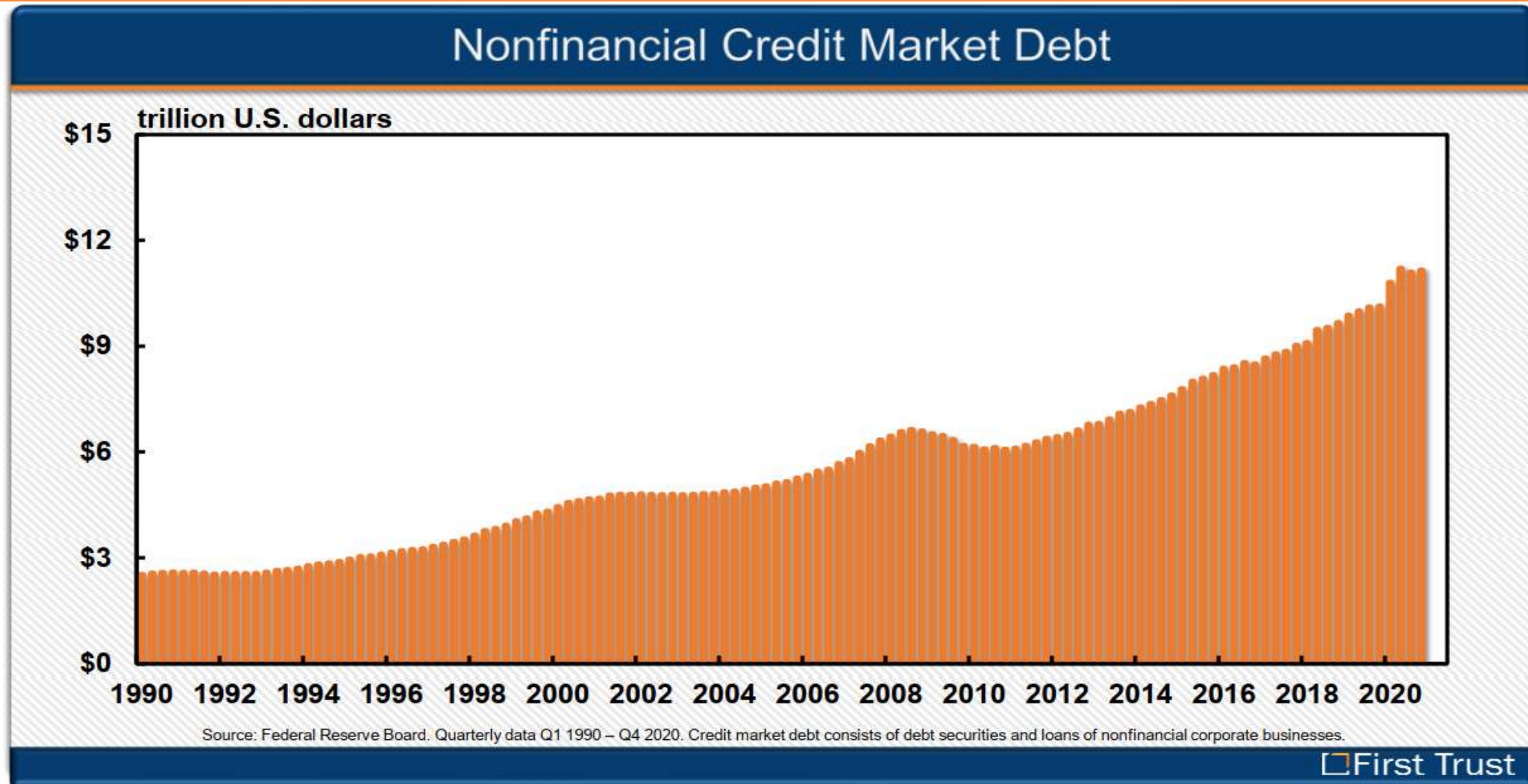
Infection Fatality Rate Estimates by Age

Influenza	
0-17	0.01%
18-49	0.02%
50-64	0.06%
65+	0.83%

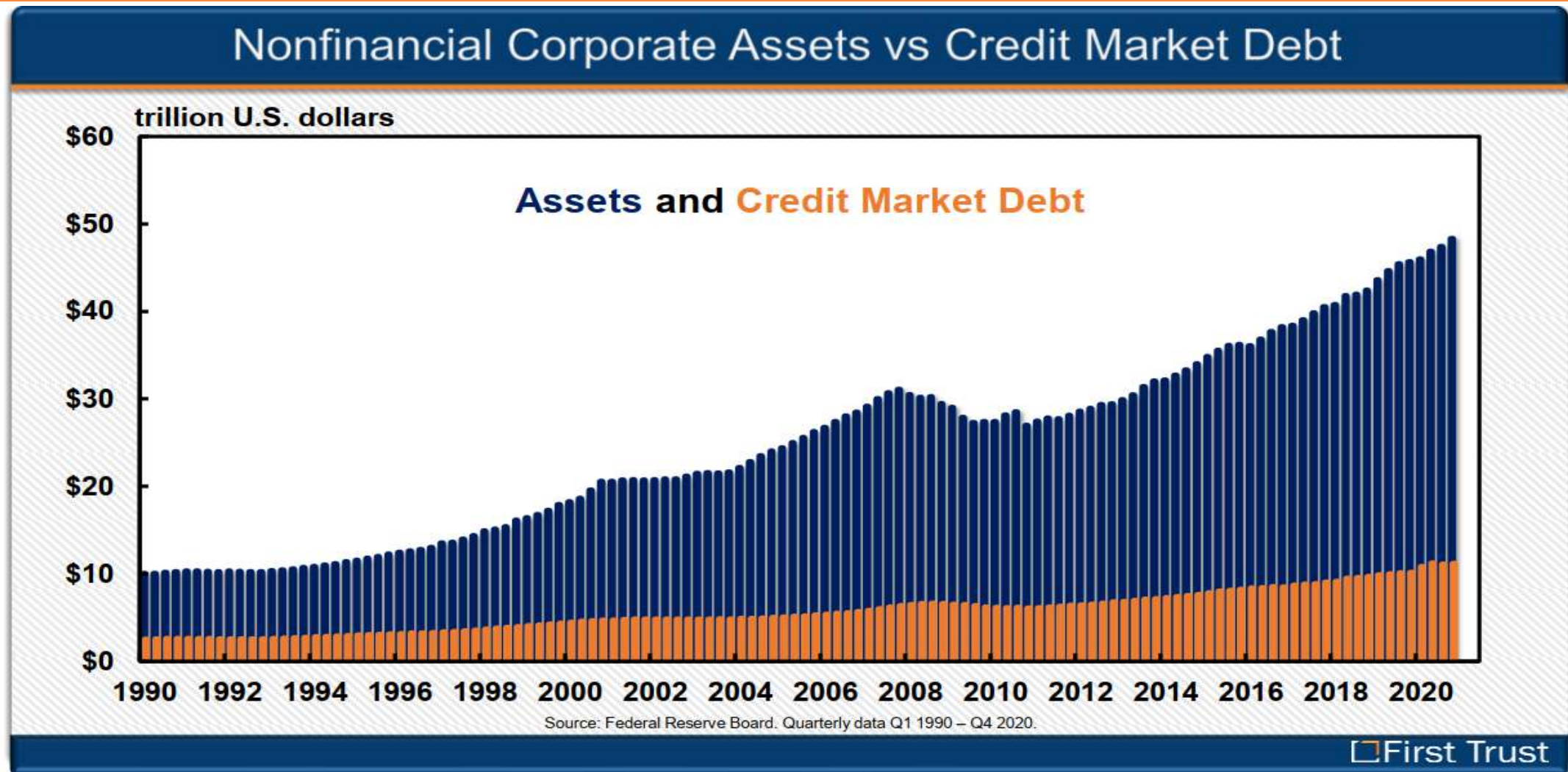
COVID 19	
0-17	0.001%
18-49	0.03%
50-64	0.3%
65+	2.7%

Source: Center for Disease Control and Prevention for 2018-2019 season published 1/8/2020. COVID estimates published 12/30/2020.

What About the Rising Debt?

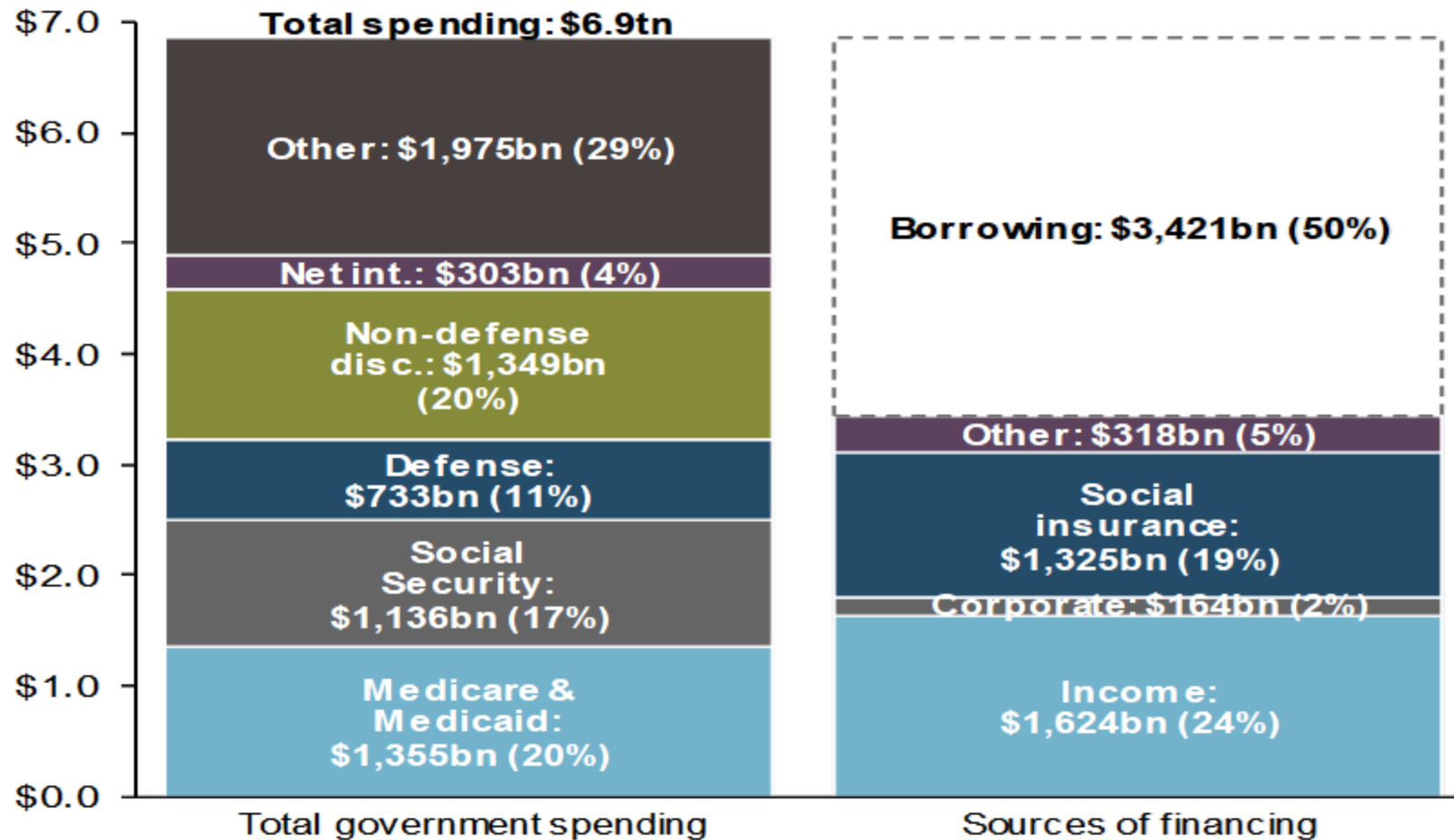


...and Skyrocketing Assets



Federal finances

The 2021 federal budget
Adj. CBO Baseline forecast, USD trillions



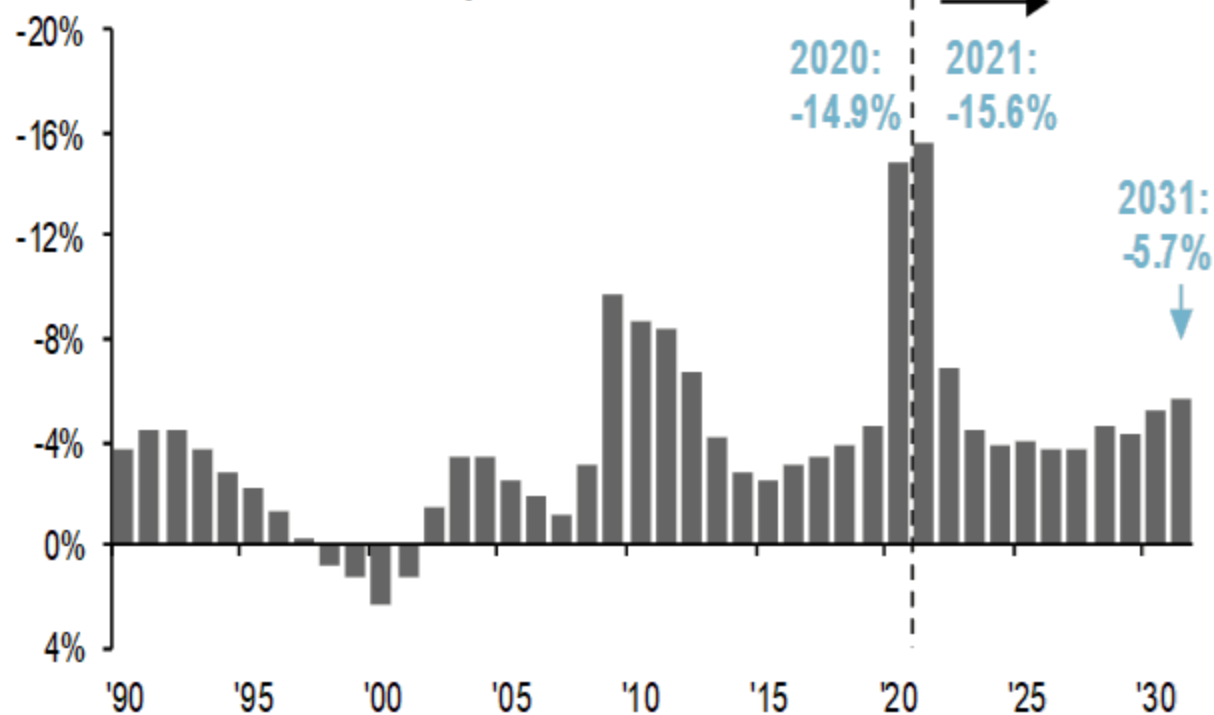
Source: CBO, J.P. Morgan Asset Management; (Top and bottom right) BEA, Treasury Department.

Estimates are based on the Congressional Budget Office (CBO) February 2021 Baseline Budget Forecast adjusted to account for the impact of the American Rescue Plan Act of 2021. CBO Baseline economic assumptions are based on the Congressional Budget Office (CBO) February 2021 Update to Economic Outlook. Other spending includes, but is not limited to, health insurance subsidies, income security and federal civilian and military retirement. Note: Years shown are fiscal years (Oct. 1 through Sep. 30). Forecasts are not a reliable indicator of future performance. Forecasts, projections and other forward looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections or other forward statements, actual events, results or performance may differ materially from those reflected or contemplated. *Guide to the Markets – U.S.* Data are as of June 23, 2021.

Federal finances

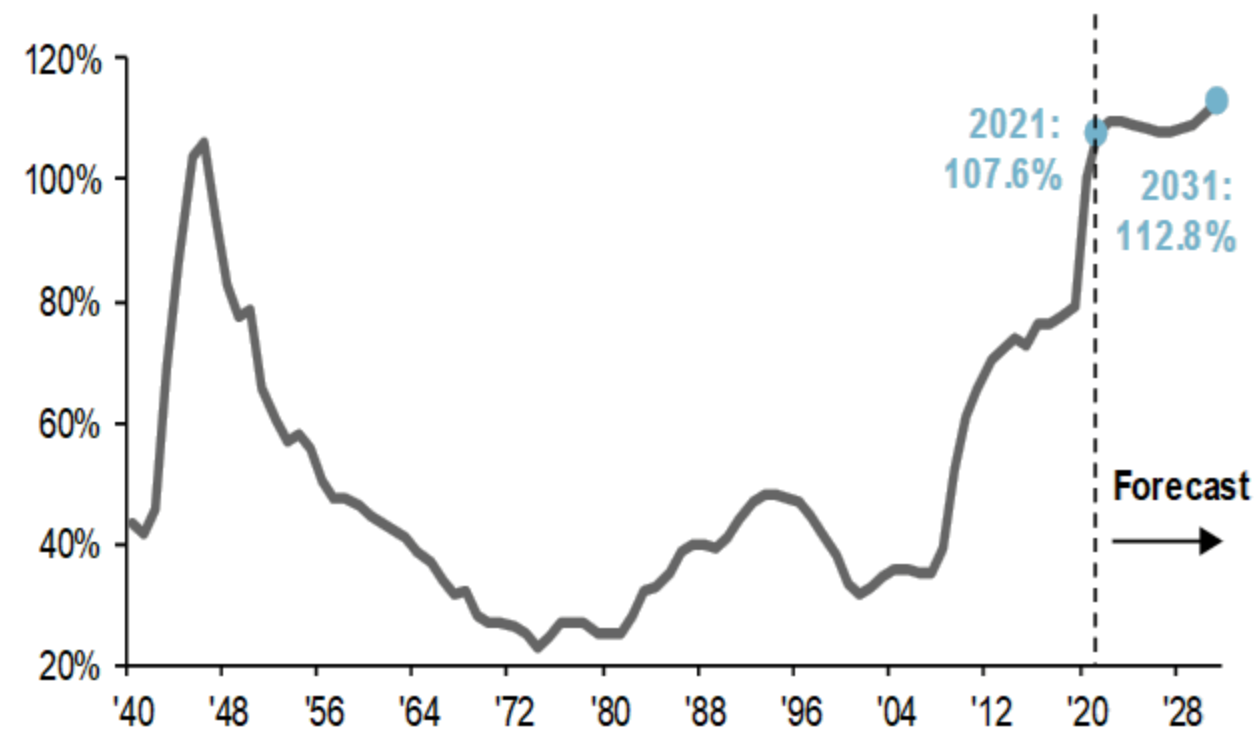
Federal budget surplus/deficit

% of GDP, 1990 – 2030, Adj. CBO Baseline Forecast



Federal net debt (accumulated deficits)

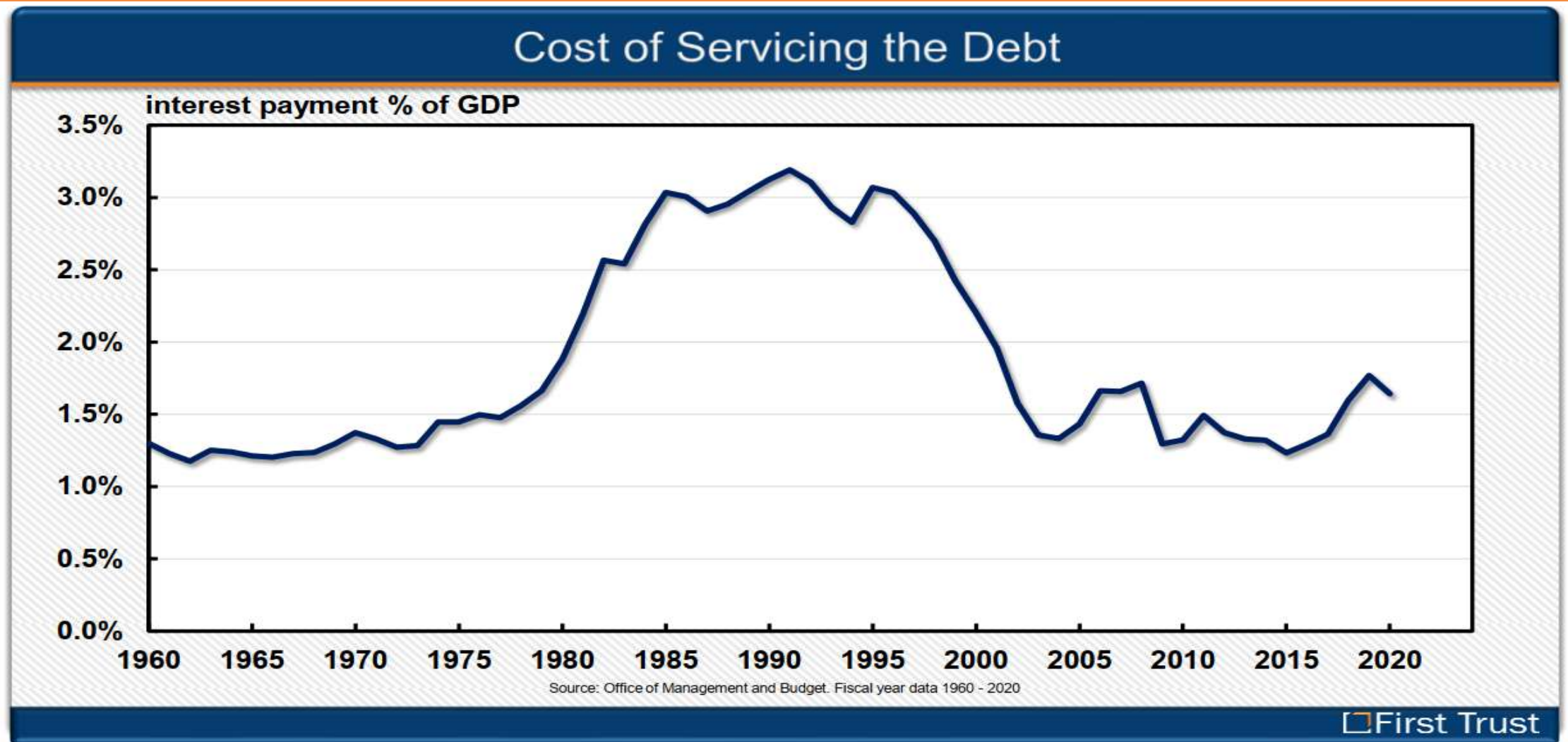
% of GDP, 1940 – 2030, Adj. CBO Baseline Forecast, end of fiscal year



Source: CBO, J.P. Morgan Asset Management; (Top and bottom right) BEA, Treasury Department.

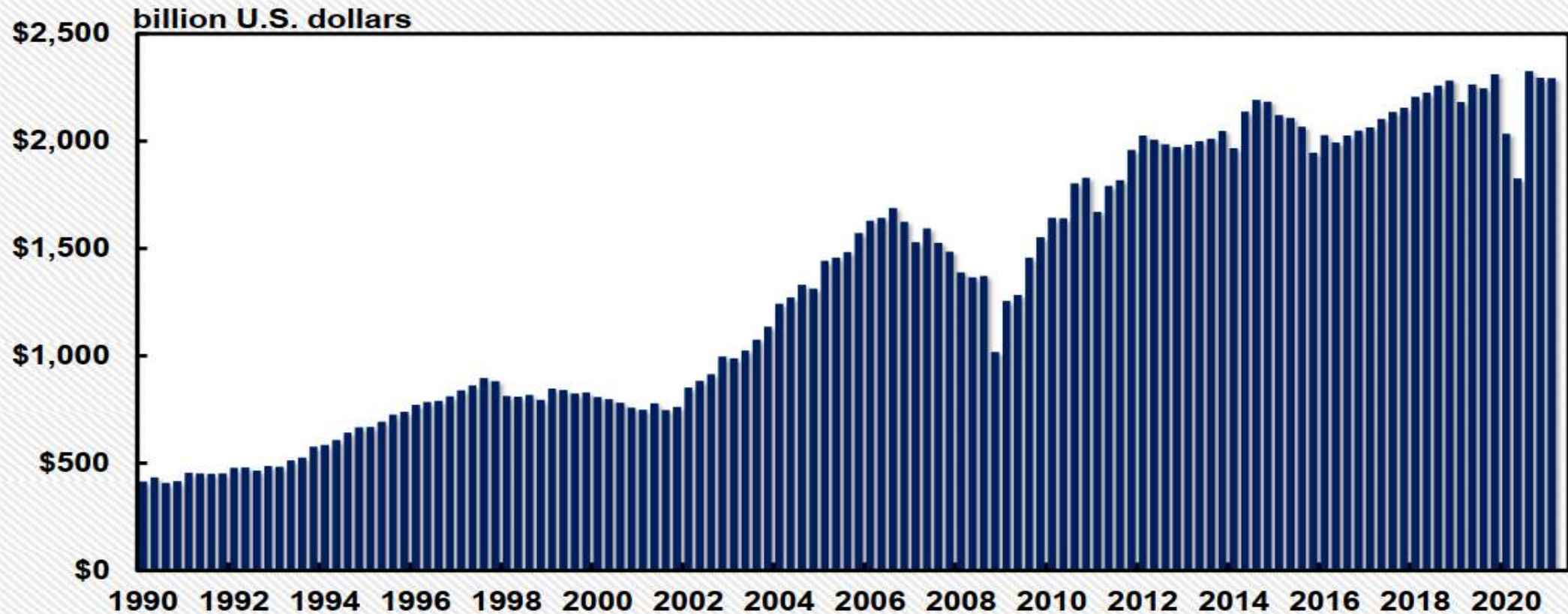
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The Interest on Federal Debt is Manageable



Near Record Profits

Pre-Tax Corporate Profits



Source: Bureau of Economic Analysis. Quarterly data Q1 1990 – Q1 2021.

First Trust

A Healthy Market for IPOs



Data from Stockanalysis.com as of 5/28/2021. This chart depicts IPOs on the U.S. stock market.

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Politics as Usual...Reagan and O'Neil



Politics as Usual...Burr and Hamilton



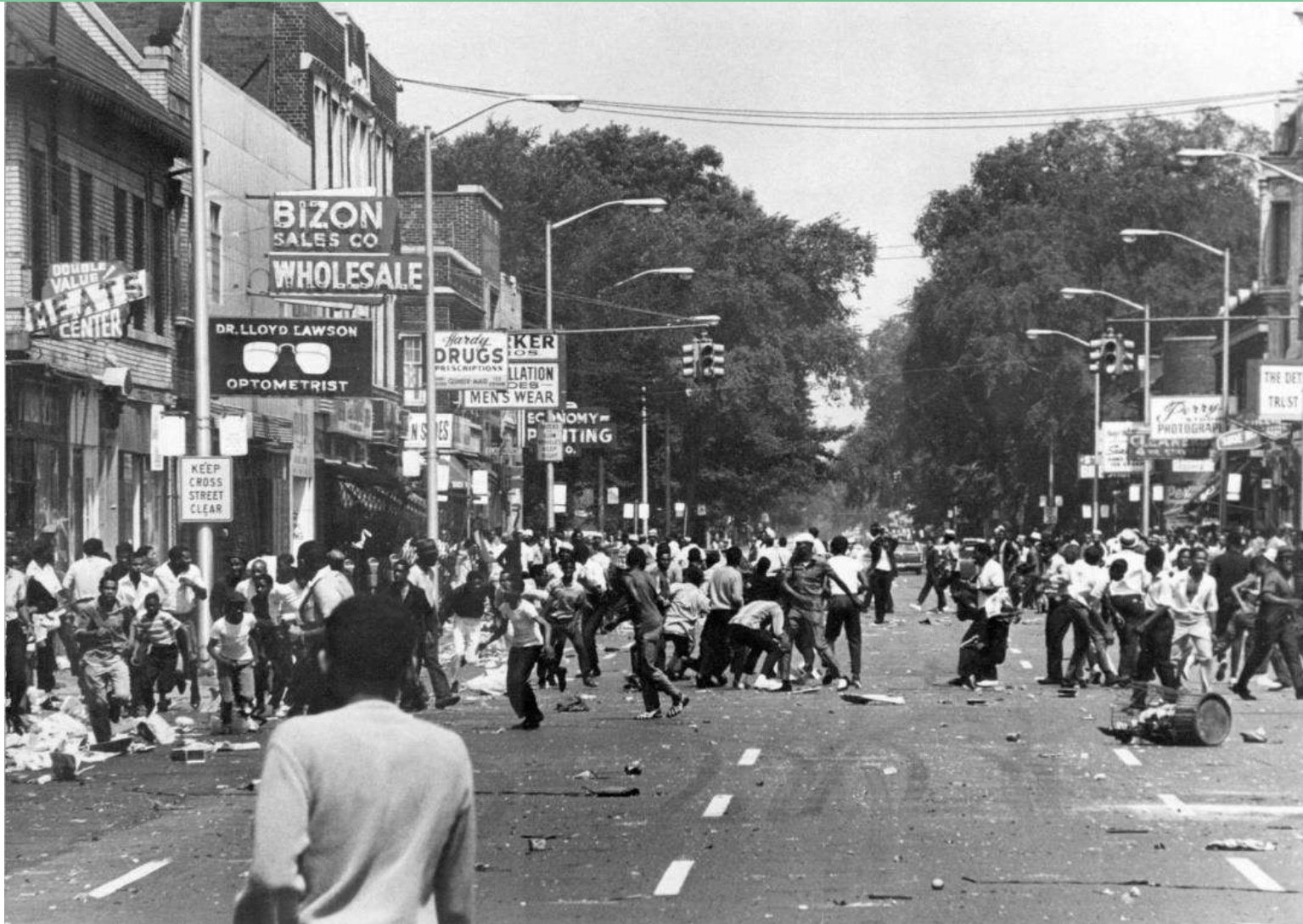
Social Unrest...The George Floyd Protests



Social Unrest...Anti-War Protests of the 70s



Social Unrest...Race Riots of the 60s



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**Inflation and
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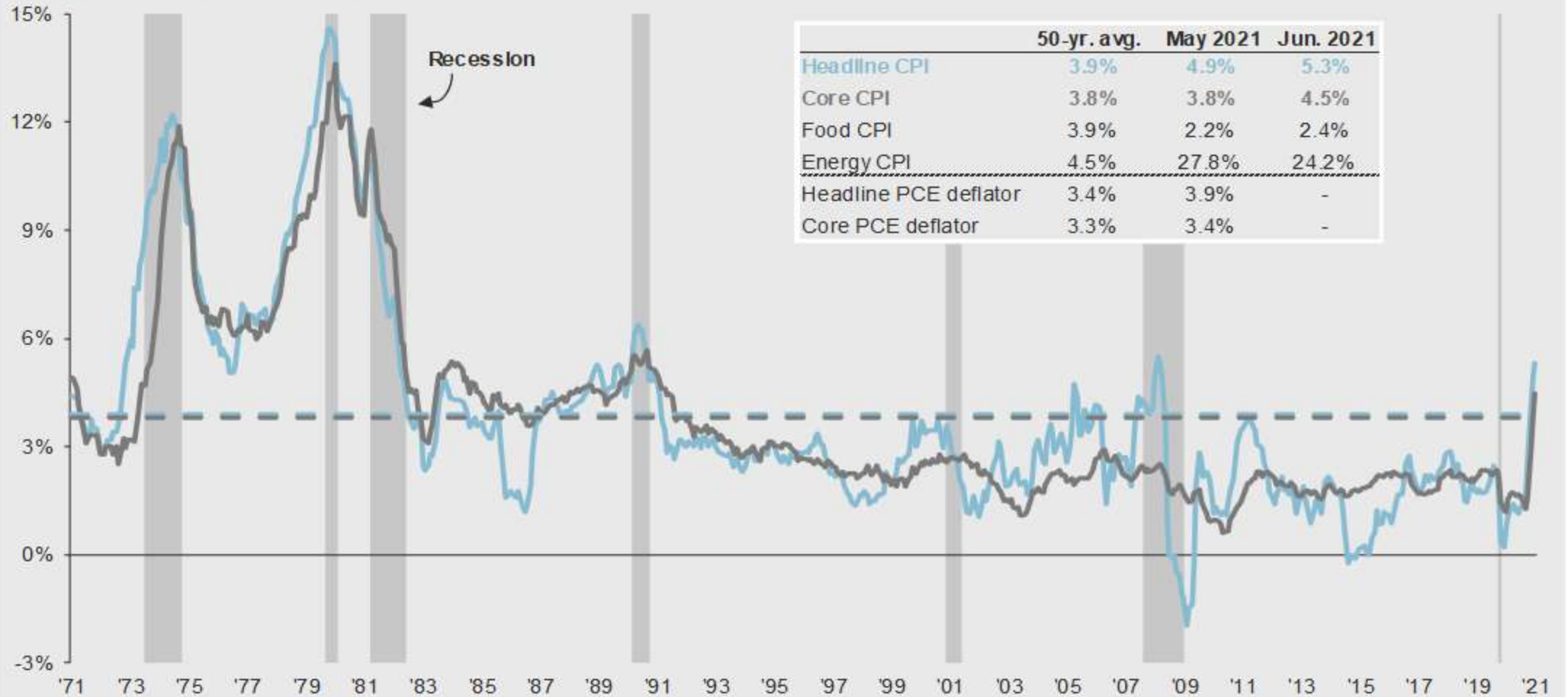
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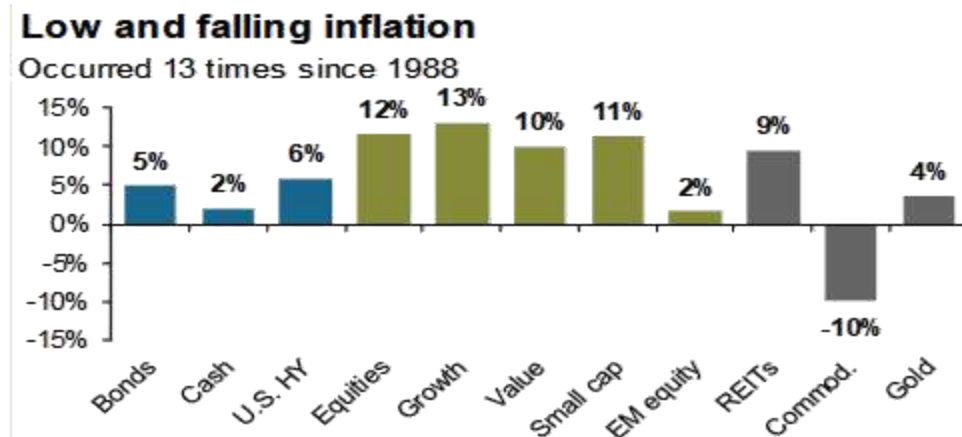
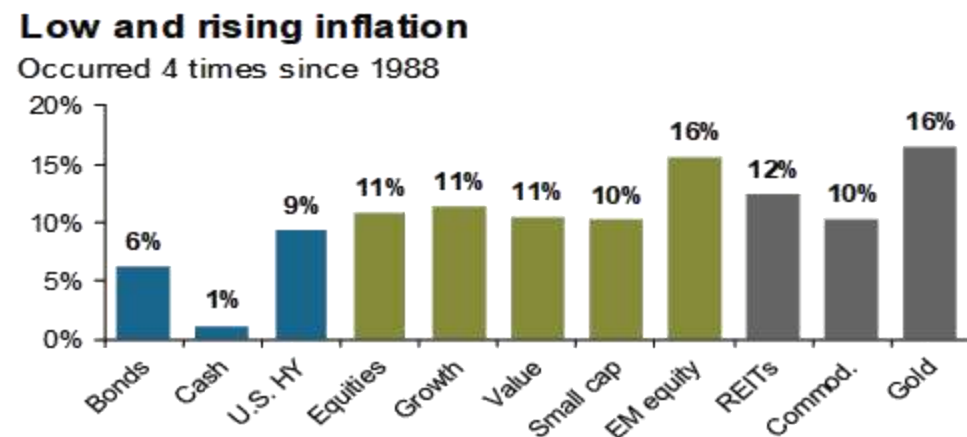
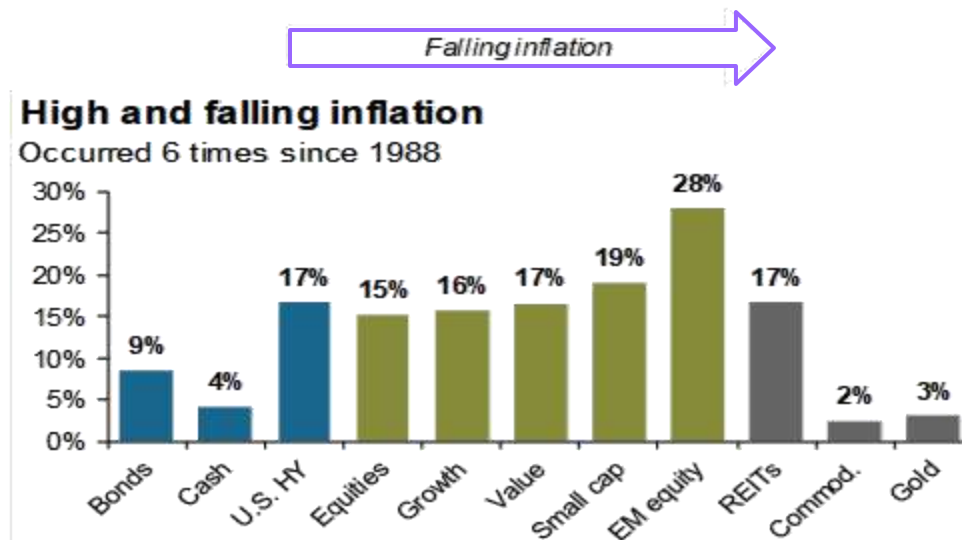
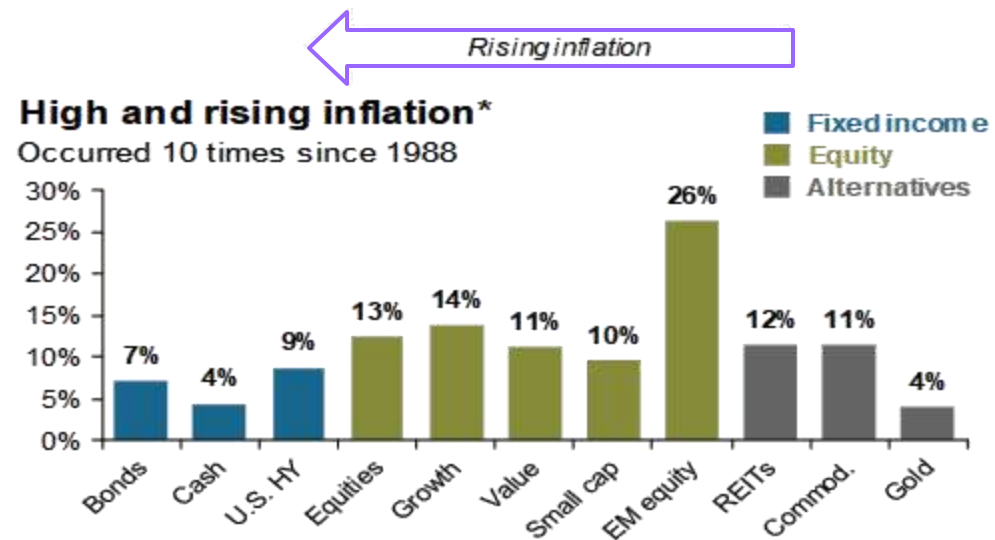
Inflation

CPI and core CPI

% change vs. prior year, seasonally adjusted



Returns in different Inflation Environments



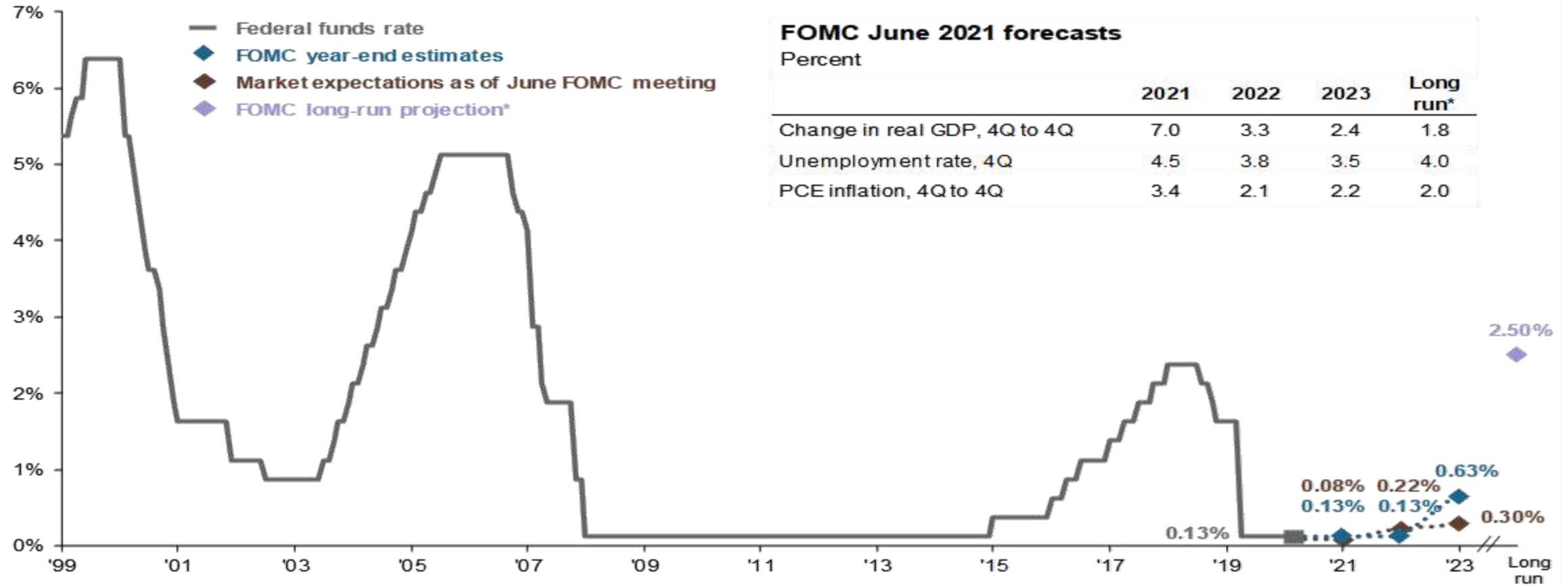
↑ Above median
Median inflation: 2.5%
↓ Below median

Source: J.P. Morgan Asset Management. *High or low inflation distinction is relative to median CPI-U inflation for the period 1988 to 2020 (33 years), which was 2.5% y/y. Rising or falling inflation distinction is relative to previous year CPI-U inflation rate. Indices: Bonds – Bloomberg Barclays U.S. Aggregate; Cash – Bloomberg Barclays 1-3 Month T-Bill index since its inception in 1992 and 3-month T-Bill rates prior to that; U.S. high yield – Bloomberg Barclays US Aggregate Credit (corporate high yield); Equities – S&P 500; Value – Russell 1000 Value; Growth – Russell 1000 Growth; Small Cap – Russell 2000; EM equity – MSCI Emerging Markets (USD); REITs – FTSE NAREIT/ All Equity REITs; Commodities – Bloomberg Commodity Index since its inception in 1992 and S&P GSCI prior to that; Gold – NYM \$/ozt continuous future closing price. For illustrative purposes only. Past performance is not indicative of comparable future returns. Returns are based on calendar year performance and are total return unless otherwise specified. Guide to the Markets – U.S. Data are as of June 23, 2021.

The Fed and Interest Rates

Federal funds rate expectations

FOMC and market expectations for the federal funds rate

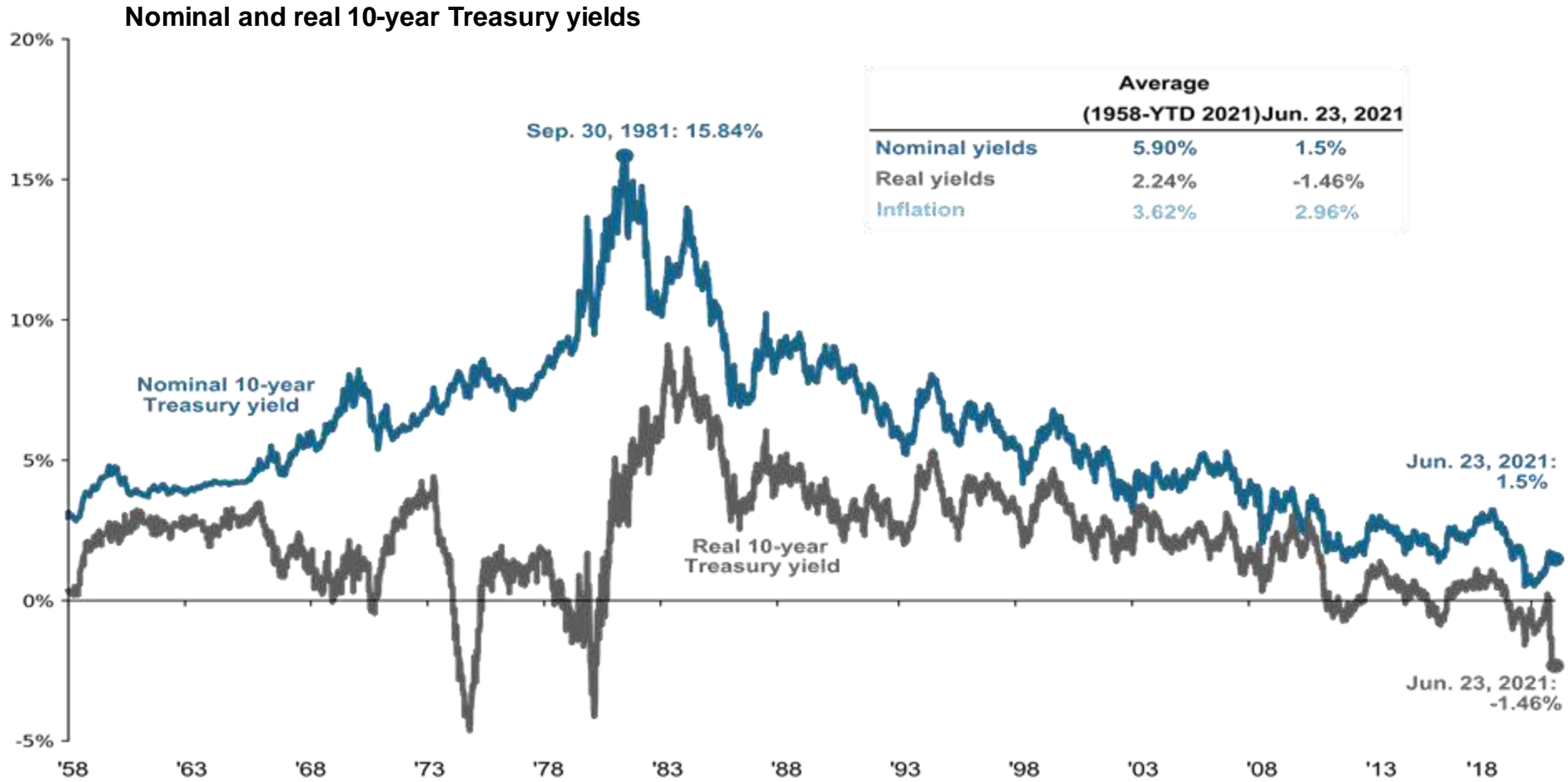


Source: Bloomberg, FactSet, Federal Reserve, J.P. Morgan Asset Management.

Market expectations are the federal funds rates priced into the fed futures market as of the following date of the June 2021 FOMC meeting and are through December 2023. *Long-run projections are the rates of growth, unemployment and inflation to which a policymaker expects the economy to converge over the next five to six years in absence of further shocks and under appropriate monetary policy. Forecasts are not a reliable indicator of future performance. Forecasts, projections and other forward looking statements are based upon current beliefs and expectations. They are for illustrative purposes only and serve as an indication of what may occur. Given the inherent uncertainties and risks associated with forecasts, projections or other forward statements, actual events, results or performance may differ materially from those reflected or contemplated.

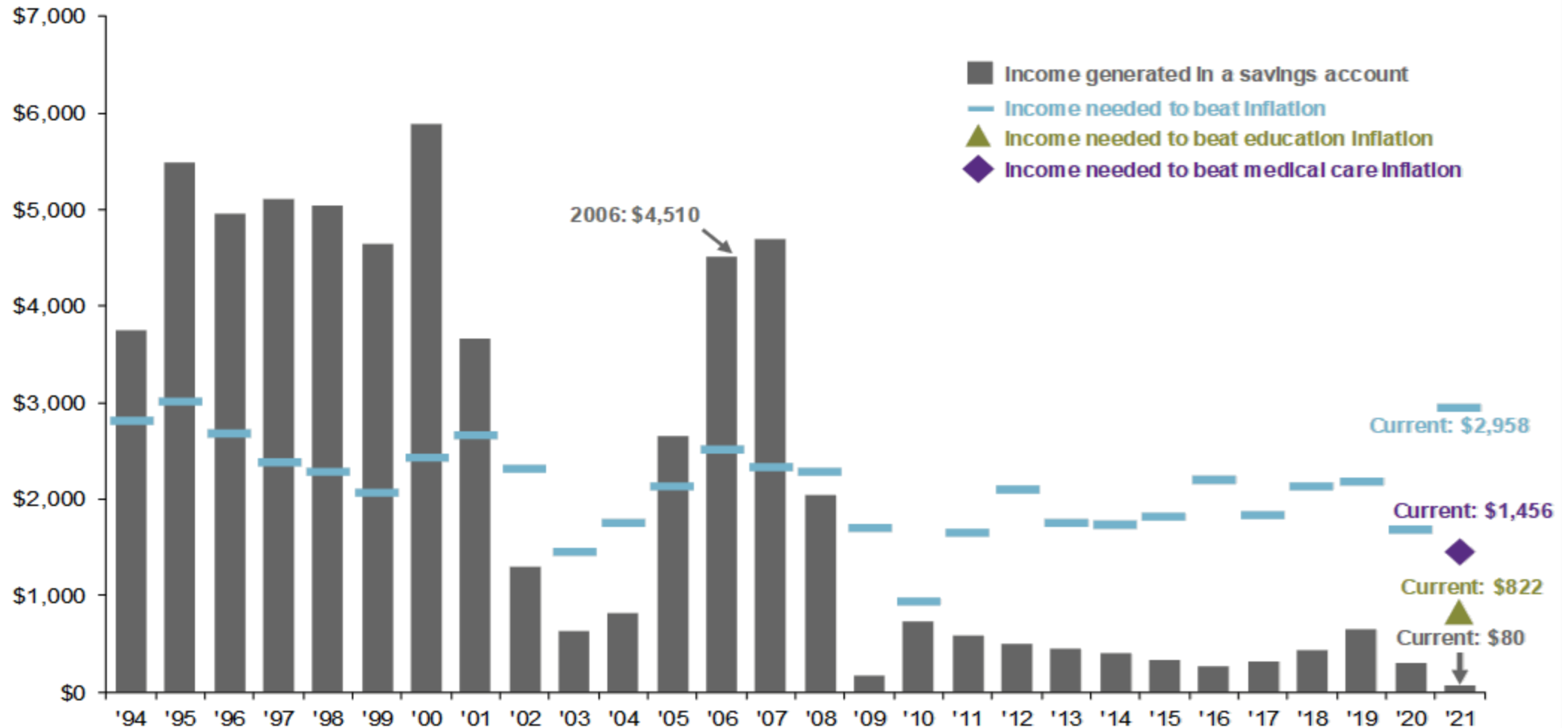
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Interest Rates and Inflation



Cash/Saving Account Returns

Income earned on \$100,000 in a savings account*



Source: Bankrate.com, BLS, FactSet, Federal Reserve System, J.P. Morgan Asset Management,

*Savings account is based on the national average annual percentage rate (APR) on money market accounts from Bankrate.com from 2010 onward. Prior to 2010, money market yield is based on taxable money market funds return data from the Federal Reserve. Annual income is for illustrative purposes and is calculated based on the average money market yield during each year and \$100,000 invested. Current inflation is based on April 2021 Core CPI, education inflation and medical care inflation. Current savings account is based on the May 2021 national average annual percentage rate (APR) on money market accounts. Past performance is not indicative of comparable future results.

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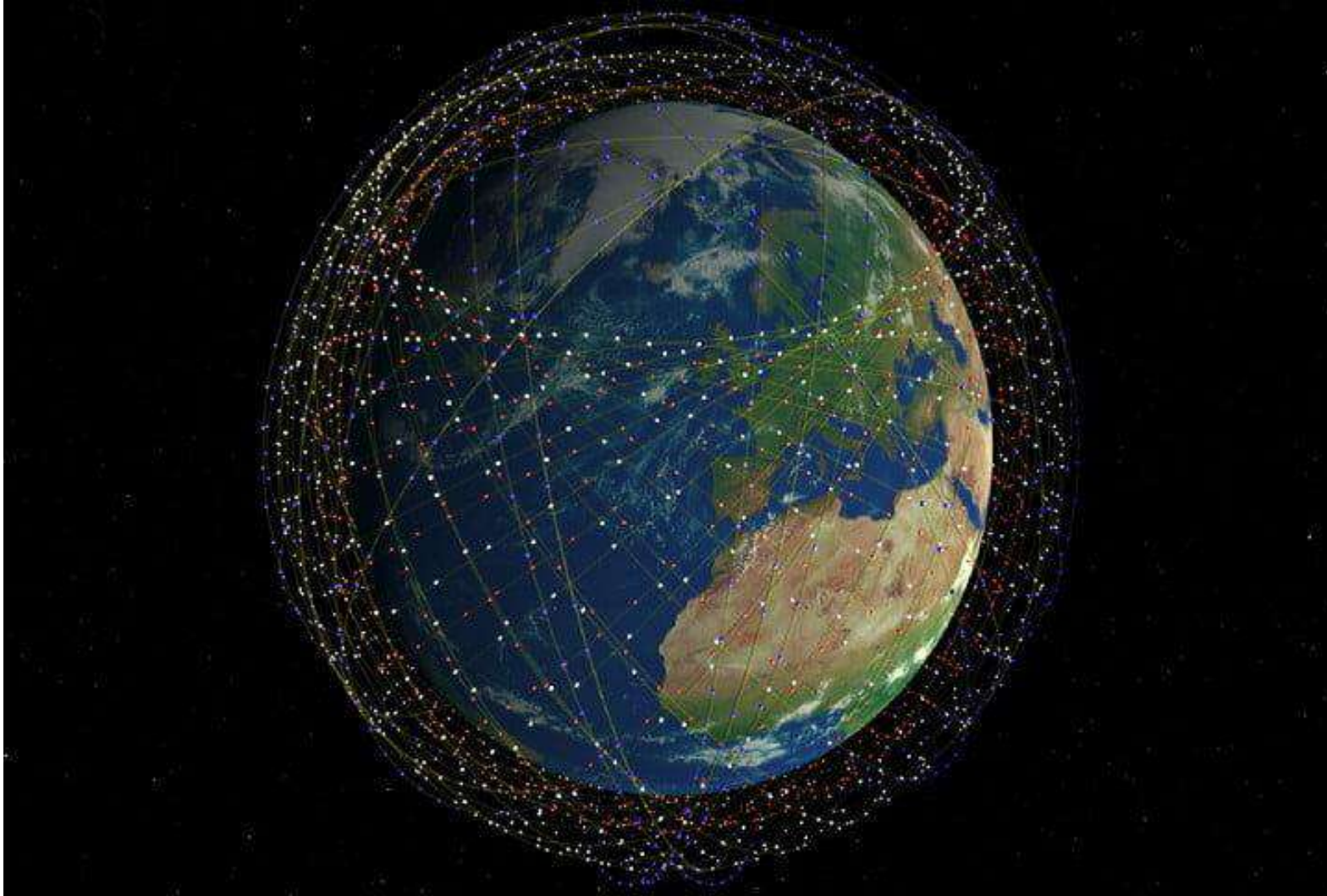
Disruptive Technology



Disruptive Technology



Disruptive Technology



Disruptive Technologies

Genomic Revolution: Stem cells, targeted medical therapeutics, agricultural biology



Next Generation Internet: cloud, “Big Data”, social media, Cyber

Disruptive Technologies

Fintech: Crypto/Blockchain,
transaction innovation



**Autonomous Tech
and Robotics:** AI,
Robotics, 3D Printing,
Energy storage



Disruptive Technologies

Space Exploration: Orbital/suborbital Aerospace companies, Tourism



A Quick Review



Closing Message

**“My dream is of a place and a time where America will once again be seen as the last best hope on earth.” --
Abraham Lincoln**



Aspect Wealth Management



Our Team!



Michael Clark
CIMA®, CRC®



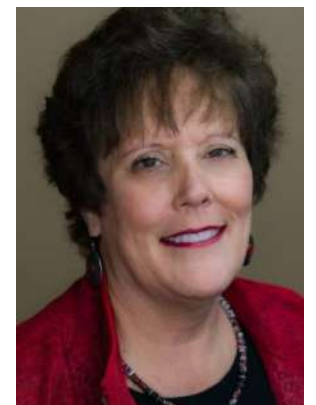
Jeffrey D. Allison
CFP®



Zachary Clark
CFP®



Jane Weekley
MBA



Denise Salzman
CPA®



Jenny Gelineau
Office Administrator



Evita Hernandez
Client Services



Jacqueline Clark
Event Coordinator



Swaroopa Padala
Operations Analyst



Ryan Blais
Client Services

Newest Additions to the AWM Family



Questions



Thank You!
