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HCWE & Company

Independent Research Forum

# HCWE & Co. – "Markets forecasting markets"

HCWE anticipates and explains capital-market and economic trends using tested financial-market indicators. Its approach is empirical. Statistical analysis is rigorous but simple, and global in scope. HCWE has identified market-based inputs with enough lead time to allow portfolio managers to anticipate systematically rather than merely respond to movements in financial markets.

The company, based on the west coast of the US, has a forty-year pedigree[1] and is led by its president David Ranson. HCWE has a clientele of institutional investors, hedge funds and family offices across North America and Europe. Its asset-allocation paradigm has a demonstrated record of success in anticipating major economic and asset market moves in the US and overseas.

**David Ranson** has been a principal of HCWE & Co. and its antecedent companies since 1976, before which he was a visiting assistant professor at the University of Chicago Booth School of Business and Assistant to the Secretary at the US Department of the Treasury.

HCWE is concerned with what works, and is not bound by doctrine, whether Keynesian, monetarist or otherwise. Over many decades its forecasts have been directionally correct some three quarters of the time. The predictive inputs for asset allocation are also effective when broad asset classes are broken into categories such as equity-market sectors and emerging markets.

**A subscription includes:**

- *Monthly and quarterly research reports distributed electronically and through the company website* (www.hcwe.com);
- *A bimonthly Client Webcast covering timely subjects, ongoing research and highlights from recent publications;*
- *Access to Ranson and his team, including a regular schedule of on-site visits and telephone briefings to address research needs and asset-allocation goals.*

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1 Originating as the economics desk of H. C. Wainwright & Co. in Boston, one of the best earliest and best-known research producers of the twentieth century.

**Recent calls** (in HCWE's original words):

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| **October 2020**: At this stage in the economic recovery low-grade and distressed bonds offer similar returns to stocks, despite a predictably high rate of default. But they are much less volatile than stocks (Tactical Asset Selector) | ***February 2020***: Could the surging price of gold be an early sign of a new inflation wave? … commodity markets say no (*Interest-Rate Outlook*). |
| ***April 2020***: … employment, personal income and household spending will not recover at the same speed as production. Overseas, where markets are less free, recovery will be slow (*Synopsis*). | ***November 2019***: Central-bank intervention in bond markets, however extreme, … simply shifts the forward currency curve … Far from stimulating economic growth the resulting … friction … hinders growth (*Interest-Rate Outlook*). |
| ***April 2020***: We expect net GDP growth from the fourth quarter of 2019 to the fourth quarter of 2020 to be positive (*Synopsis*). | ***October 2019***: There is no inherent contradiction between a failure of one part of the economy (such as manufacturing) to grow and the growth of the economy overall (*Economy Watch*). |
| ***March 2020***: … a severe biological crisis does not necessarily imply a severe economic crisis (*Economic and Investment Observations*). | ***June 2019***: … we propose a country-bets [stock-market] strategy … based on the assumption that [currency] stabilization will occur within a one-year time frame (*International Forecaster*). |
| ***March 2020***: There will be a hiatus in economic activity, but it will be made up quickly. Only over-zealous containment efforts can create a full-scale recession (*Tactical Asset Selector*). | ***May 2019***: There is no safe way to draw stock-market conclusions from the behavior of earnings (*Economy Watch*). ***April 2019***: A hike in today's 37% top [income tax] bracket to 70% would kill 11% of GDP (*Strategic Asset Selector*). |

ASSET ALLOCATION

MODELS

RECOMMENDATIONS

US AND GLOBAL