

The Markets' Message

P u b l i c a t i o n H i g h l i g h t s

As of March 1, 2021

Please contact our office at +1(978)468-4575 for the complete story and samples.

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HCWE Inflationary boom? Boom — no way; Inflation, maybe

If the economy is fueled by putting capital to work, it is also constrained on the upside by the supply of capital. Now that US output is almost fully recovered there is no unused capital to fuel a further boom. Inflation, however, is another story.

~ *Interest-Rate Outlook, February 18*

HCWE Stock-market reshuffling if inflation breaks out

Since the election there have been growing signs of a weak dollar and accelerating inflation. This is bearish for the stock market in general and for growth stocks in particular..

~ *Equity-Market Outlook, February 28*

HCWE Highlights:

The latest information suggests that the dollar is falling and inflation is on the rise. But no reaction from the Fed should be expected.

~ *Fixed-Income Barometer, February 23*

HCWE Highlights:

Foreign-exchange value of the dollar: Moving up.

Equity markets:

Most favored: France

Least favored: Netherlands

Bond markets:

Most favored: Germany

Least favored: U.S.

~ *International Barometer, February 26*

HCWE In Transition toward Greater Risk Tolerance but a Weaker Dollar

Until the end of 2020, evidence for an uptick in inflation was weak, let alone signs of a new super-cycle in commodities or emerging markets. But around election time the decline in the dollar's foreign-currency value has accelerated, and the price index for consumer goods has now risen to more than 1 percent above its pre-pandemic level. Simultaneously, the level of risk tolerance implied by credit spreads has finally fallen back to what it was a year ago.

~ *Synopsis, February 28*