

ONE YEAR AFTER COVID

courtesy of MFS and By the Numbers

IN MY LIFETIME - Last year's (2020) contraction of the US economy (down 3.5%) was the largest drop the nation has experienced since 1946, or 74 years earlier. (source: Bureau of Economic Analysis)

WHAT A COMEBACK - Many American employers have recovered, and as of 2/28/21 they have hired back 67% of the 25.4 million jobs that were lost last year during the two months of March-April 2020 (source: DOL).

PUT IT ON THE CARD - In the one year since the declaration of a "national emergency" on 3/13/20, the US national debt has increased \$4.46 trillion from \$23.44 trillion to \$27.90 trillion (source: Treasury Department).

RISING RATES - From its all-time closing low of 0.501% on Monday 3/09/20, the yield on the 10-year Treasury note has more than tripled to close at 1.634% as of last Friday 3/12/21 (source: Treasury Department).

QUICK, BEFORE RATES RISE - As of 12/31/20, 13% of all outstanding home mortgages (7.2 million) were refinanced during 2020. (source: Federal Reserve Bank of NY)

ADDING TO CASH - Money market funds in the United States, including retail and institutional funds, both taxable and tax-free, have increased \$615 billion (to \$4.39 trillion) over the last 12 months through last Friday 3/12/21, an average increase of \$12 billion a week (source: Investment Company Institute).

BLAME THE PANDEMIC - Total exports of goods and services by American corporations in calendar year 2020 were \$2.13 trillion, down 16% from the year before and the smallest total recorded since 2010 (source: Bureau of Economic Analysis).

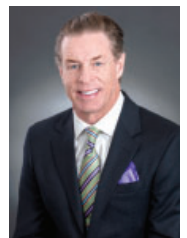
YEAR-OVER-YEAR IMPROVEMENT - The aggregate earnings per share of the companies in the S&P 500 in the 1st quarter 2021 are forecasted to be +21.5% greater than the actual aggregate earnings per share of the S&P 500 companies from the 1st quarter 2020 (source: FactSet).

LAST TWO BULLS - From its 3/23/20 bear market low, the S&P 500 has gained +74.6% (total return) in the 240 trading days through Friday 3/05/21. From its 3/09/09 bear market low, the S&P 500 gained +67.4% (total return) in the first 240 trading days of what became a nearly 11-year bull market run that ended on 2/19/20. The S&P 500 consists of 500 stocks chosen for market size, liquidity and industry group representation. It is a market value weighted index with each stock's weight in the index proportionate to its market value (source: BTN Research).

STOCKS AND HIGH INFLATION - During the 15 highest inflation years (using the "Consumer Price Index" as the benchmark) over the last 100 years, i.e., 1921-2020, the S&P 500 stock index has been "up" 7 years and "down" 8 years. The index's average performance for the 15 years is +2.5% per year (total return) (source: BTN Research)



Matt Jones, JD, CFP
President



David Trent
Managing Principal