

# ***As We Enter The Spring of 2021, Is The Market Moving Higher or Obliquely?***

*By Bob Deitrick, CEO  
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*As we predicted, the market has continued an impressive run over the past two months. It has been volatile over the last 30 days; nonetheless, this move has been admirable. Over the first 3.5 months of 2021, the market has produced some impressive results:*

- ***The S&P 500: +11.3%***
- ***DJIA: +11.2***
- ***NASDAQ or tech stocks: +8.9%***
- ***Russell 2000 - small cap sector: +7.7%***
- ***DAL or Delta Airlines: 14%***
- ***AAPL or Apple: 1.6%***
- ***Amazon: 4.8%***
- ***NYSE: 11.6%***

*These results to date are notable considering the market is historically up about 3% over the same period. The market stalled in March due to COVID cases deteriorating and due to the lockdown in Europe, and we witnessed some deep individual corrections in some stocks and sectors. However, it appears today as though we are seeing real buying opportunity here as we have hit a 40% vaccine penetration in our population. We believe that a June re-opening is likely, and the U.S. may finally be coming out of this mess. If that is indeed the case, we expect the rolling correction we have seen over the past month to come to an end and we may see 4,425 on the S&P 500 by the end of June, which would imply a rejuvenation in the stock market rally that started the year.*

*Will we have another correction in 2021? It is likely, and it will be a good thing to the extent it happens. Keep in mind that we had two major corrections in 2020 and still had a terrific result by the end of the year. Corrections are healthy and necessary, but we do not expect one this quarter. The good news is that there has been a lot of deleveraging in 2021, the hypergrowth stocks (AAPL and AMZN) have over-corrected and the interest rate environment has stabilized this year creating opportunity moving forward.*

*We understand you may be cautious after all that we have been through with COVID-19 over the past year. Having said that, during the Spanish Flu pandemic of 1918, 675,000 Americans perished (with a much smaller population base of 103 million) over 18 months and three distinct waves. We will be at 18 months this summer, and unlike that period in our history, we have a vaccine today. We see a huge demand to get back to normalcy. We believe the pent-up demand*

*to travel, entertain, dine and to enjoy life once again will bring things back quickly. Anecdotally, Americans have been traveling in record numbers to the Caribbean this Spring - something we did not see a year ago.*

*In summary, we are optimistic looking forward over the balance of this year. The next big hurdle will be whether Washington can pass an infrastructure bill. We suspect this will happen. We believe there is great interest in getting things back to “the way we were”. As things improve, we at PFP intend to safely return to our client appreciation events and seminars in the 4<sup>th</sup> quarter of 2021. Those proposed dates and events follow:*



- *September 3<sup>rd</sup>, at Huntington Park, we plan on bringing back our annual Clippers Night at the Ballpark on Friday of Labor Day weekend. We have leased the Pepsi Party Deck and two suites on the right field side of the plate for the evening and can hold ~ 100 for that event. (We will only do this if things can be done safely).*
- *November 9<sup>th</sup> and 12<sup>th</sup> we will hold our traditional year end academic seminars at Eddie Merlot's on Tuesday and Friday of the second week of November in the Merlot Room.*
- *November 27<sup>th</sup> we will hold our bi-annual Crush Michigan and Harbaugh Event at Eddie Merlot's beginning at noon that day. We will have great food and a pig roast to honor the roasting of Jimmy Harbaugh once again.*
- *December 12<sup>th</sup>, 2021 we will bring back our traditional Christmas Holiday Celebration at Eddie Merlot's starting at 5:00 p.m. This will be an event for the entire family.*
- *We will be honoring all Ohio and Federal guidelines at the time of each event to ensure that all clients are safe. Mask wearing will likely be required at these events.*

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