



News of a rise in reported Core PCE prices of 3.4% year-over-year was pacified by an increase in durable goods orders and President Biden's proposed \$1.2 trillion Bipartisan Infrastructure Framework due to its spending and job creation plans. Sowell's tactical indicators continue to respond favorably with the Fed's transparency to moderate interest rate increases over time.

GAUGE OF THE GRADE



BEARISH

NEUTRAL



BULLISH



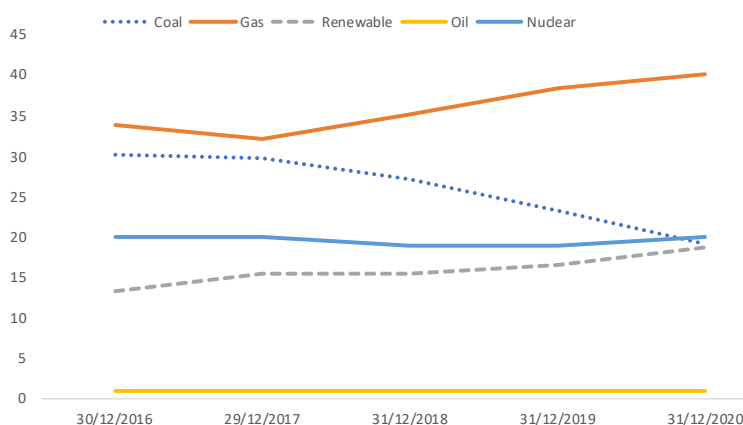
Last week was highlighted by Fed Chairman Jerome Powell's comments to Congress. Powell acknowledged that inflation had increased notably in recent months, but he reiterated that he saw it as transitory due to supply issues and the reopening of the economy. He also stated that the labor market has a long way to go and needs continued support. The bullish comments on supporting the economy for as long as it takes pushed equities higher for the week. The S&P 500 hit a new high after moving sideways over the last two months. The Technology heavy NASDAQ kept pace with a return of 2.4%. Energy shares performed the best as oil prices reached their highest levels since late 2018 on falling global inventories. Utilities and real estate stocks underperformed. According to CNBC, the 10-yr Treasury yield ended the week at 1.52%, slightly higher than the rate at the start of the week.

are up around 20% from a year ago. With inventory tight and many new residents moving in amid the pandemic, we will see if the rise in prices is cooling or not. The last two months of job gains have come in below consensus; therefore, Friday's nonfarm payrolls report will be closely watched. The pandemic unemployment insurance payments have been blamed for the lack of Americans seeking work.

The Case-Shiller home price index is released this Tuesday, and the US unemployment data is released Friday. Home prices

MONDAY JUNE 28, 2021	
Dallas Fed Mfg Business Index	
Herman Miller earnings	
TUESDAY JUNE 29, 2021	
House Price Index	
Conference Board Consumer Confidence	
API Crude Oil Stock	
AeroVironment, FactSet, and Hydrofarm earnings	
WEDNESDAY JUNE 30, 2021	
Mortgage Refinance Index	
Gasoline & Crude Oil Inventories	
ADP Nonfarm Employment Change	
Bed Bath & Beyond, Constellation Brands, General Mills, and Micron Technology earnings	
THURSDAY JULY 1, 2021	
Initial jobless claims (weekly)	
Continuing jobless claims	
ISM Manufacturing PMI	
Construction Spending	
Acuity, McCormick, and Walgreens earnings	
FRIDAY JULY 2, 2021	
Unemployment Rate	
Trade Balance	
Factory Orders	

Shares of US Electricity Mix %



US President Joe Biden has taken several climate-related executive actions, including re-joining the Paris Agreement. During the April Climate Summit, Biden pledged to reduce US greenhouse emissions by 50% by 2030. But for the country to really get onto a sustainable path, consistent with limiting global warming to 1.5, bipartisan support will be needed. Early reading into the bipartisan infrastructure compromise announced on Thursday points to a disappointment as it omits major climate change measures. A little government spending could change the calculations for the private sector by reducing risk, lowering the cost of capital, generating economies of scale, and pushing down prices. These can have a positive outcome on the environment and the economy.

Source: Refinitiv/Fathom Consulting

SECTOR RETURNS					
	1 WEEK	1 MONTH	3 MONTHS	YTD	12 MONTHS
S&P 500 Index	2.76	2.33	9.86	14.73	40.85
Basic Materials	2.32	(4.45)	6.51	15.62	51.89
Comm Services	2.89	4.21	10.95	18.91	50.99
Consumer Cyclical	3.72	3.90	7.30	10.51	56.81
Consumer Defensive	1.97	(0.98)	4.61	5.17	24.67
Energy	6.68	8.49	13.52	47.20	50.09
Financial Services	4.83	0.62	9.94	22.78	52.58
Healthcare	2.28	2.85	9.78	10.18	28.60
Industrials	3.36	(0.36)	5.91	15.36	52.39
Real Estate	1.75	4.20	13.05	19.59	31.66
Technology	2.47	5.56	12.21	11.09	43.23

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