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Greetings,

The economy continues to recover from the pandemic due to the rollout of vaccinations and the subsequent reopening of states and counties across the US. Employment also continued to slowly improve as businesses prepare for increased activity as we move forward. For the quarter the S&P 500 stock index rose 5.8%.

In January, the GameStop (or meme stock) movement made headlines. Individual investors with extra cash took to the investment markets and drove up the price of certain stocks, such as GameStop, AMC Entertainment, and Koss Corporation, a family-owned company headquartered in Wisconsin. Many short sellers (investors who believe a stock will decline in price) suffered significant losses. So, did many of the individual investors. I bring this up because investors are curious about the phenomena and to make sure readers are aware that Cook Capital does not participate in either short selling or any form of collusion. There are significant risks involved with both sides and the potential benefits do not warrant those risks.

Prospects for reopening continue to improve as restrictions on businesses and public gatherings are relaxed. During the pandemic, many households received stimulus checks and had lower expenses due to restrictions on travel, restaurants, and other leisure activities. Much of this excess cash was saved. Now, many of those consumers are poised to spend their savings soon and potentially fuel the economy as we move through the spring and summer months.

For these reasons, the International Monetary Fund (IMF) increased its forecast for worldwide economic growth to 6% for 2021. There are still many countries still struggling with the pandemic. As a result, many US trade partners are having trouble keeping up with US demand and supply chain issues have crept up. We hope our fellow humans abroad get through this thing successfully very soon.

Overall, there are many reasons to be optimistic this spring season. The Federal Reserve has committed to keeping interest rates low and an infrastructure bill appears likely to be passed. It looks like Americans have proven their resiliency and will persevere once again. Please reach out at any time with any joys or concerns.

"You can cut all the flowers, but you cannot keep Spring from coming."

– Pablo Neruda

Regards,

BJ Cook