

# WEEKLY MARKET INSIGHTS

WEDNESDAY, APR. 28, 2021

## WEBINAR: THE BASICS OF INVESTING

Whether you're just starting out or want to set your children and grandchildren on a path to financial independence, this virtual presentation is a perfect starting point. **THURSDAY, JUNE 10<sup>TH</sup> | [REGISTER](#)**

## DENVER WEALTH MANAGEMENT SCHOLARSHIP GOLF TOURNAMENT

Join us at beautiful Arrowhead Golf Course for this fun event. Proceeds benefit the DTC Rotary Foundation's Sally Shuler Scholarship Fund. **MONDAY, AUGUST 2<sup>ND</sup> | [REGISTER](#)**

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Three of the four major U.S. stock markets barely missed their mark last week, despite a solid start to first-quarter S&P 500 earnings reporting. The S&P 500 retreated **(-0.13%)**, with the Nasdaq Composite and Dow Jones Industrial Average not too far behind, down **(-0.25%)** and **(-0.46%)**, respectively. The small-cap Russell 2000 finished the week in positive territory, up **0.41%**.<sup>1</sup>

In a big week for the markets, many investors will keep a close eye on the news; thus, we want to briefly share what is on the docket.

**FED'S TWO-DAY POLICY MEETING** | Kicking off on Tuesday, the Fed will assemble for their two-day policy meeting, followed by a press conference on Wednesday with Fed Chair Jerome Powell. Despite significant growth in the economy, primarily indicated by upward pressure on prices and increasing employment, most predict the Fed will stick to their game plan, patient to raise rates and back off their liquidity measure for the near future.

While many investors are concerned about inflation, Powell will likely reiterate his message that inflation would be short-term, caused by an economic reopening and temporary supply chain issues.<sup>2</sup>

**PRESIDENT BIDEN TO ADDRESS CONGRESS** | President Joe Biden will pitch his legislative agenda to a joint congress on Wednesday. Investors will be listening to the current state of negotiations regarding corporate and personal taxes.

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Setting politics aside, potential tax hikes may lead investors to more tax-efficient securities, such as municipal bonds. Municipal bonds (“munis,” as the cool kids say) generally provide investors with a bond that is income tax-free at both the federal and state level, sometimes at local district or county levels as well.

As negotiations continue, many investors will be monitoring the muni market, which is already seeing lofty valuations.<sup>3</sup>

**EARNINGS ECLIPSE ANALYST PREDICATIONS** | With 25% of S&P 500 companies having already reported first-quarter earnings, the index is tracking a 34% year-over-year increase—10 percentage points higher than March 31st estimates.

In one of the busiest reporting weeks, 180 companies will report earnings, including tech moguls Alphabet, Microsoft, and Apple. The S&P 500 is on track to grow 7.4% year-over-year, again outpacing March 31st estimates.<sup>4</sup>

Additionally, the U.S. government will announce the first-quarter GDP on Thursday, expected to be around 6.5% growth.<sup>2</sup>

**FINAL THOUGHTS** | With a full docket this week, we hope this brief outline offered some insight as far as what you can expect. Despite a laundry list of events, most investors predict little change in the market; however, we will continue to monitor the investment landscape closely and find opportunities as they arise.

If you have any questions regarding your long-term financial plan, please do not hesitate to call our office at (303) 261-8015. [You may also request a free consultation on our website.](#)

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SOURCES & DISCLOSURES

## SOURCES

<sup>1</sup>"Markets Digest." The Wall Street Journal, Monday, April 26, 2021 – Vol. CCLXXVII No. 96 (pp. B7).

<sup>2</sup>"Fed Opens Policy Meeting Amid Growing Signs of Rebound." yahoo.com, 27 Apr 2021. <https://news.yahoo.com/fed-opens-policy-meeting-amid-145708338.html> [Accessed 27 Apr 2021]

<sup>3</sup>"Let's Talk About Valuations | Daily Market Update | April 27, 2021" LPL Research, 27 Apr 2021.

<sup>4</sup>"Corporate America Keeps Adding to Earnings Upside | Daily Market Update | April 26, 2021" LPL Research, 26 Apr 2021.

## DISCLOSURES

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All performance referenced is historical and is no guarantee of future results. All indices are unmanaged and may not be invested into directly.

The economic forecasts set forth in this material may not develop as predicted and there can be no guarantee that strategies promoted will be successful.

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