

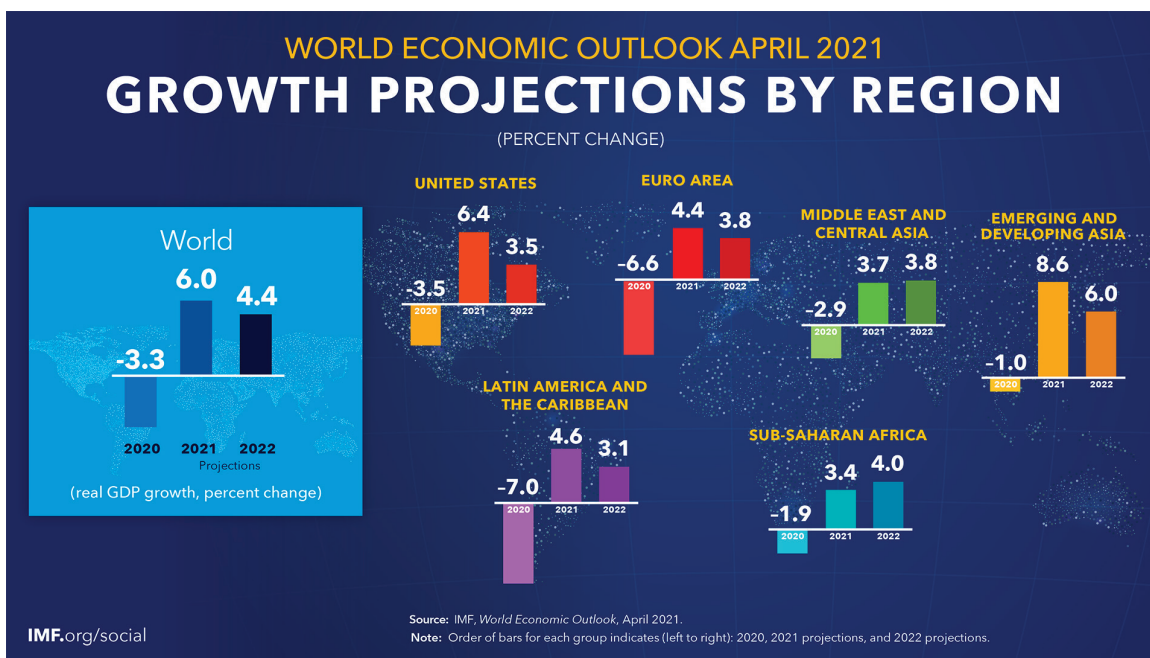
## One IMF Saves the World, the Other Upgrades the World (Economy)

The 7th installment of the Mission Impossible movie franchise starring Tom Cruise should hit theaters this November, twenty-five years after the premiere of the first film (which featured the great Anthony Hopkins and the great line, "Mr. Hunt, this isn't mission difficult, it's mission impossible. Difficult should be a walk in the park for you."). It would seem Mr. Cruise – and his cohorts on the Impossible Mission Force (IMF) – are ageless.

But as is often the case with the Weekly Wire, our focus isn't on some pop culture reference but how that pop culture reference ties back to the economy and capital markets. Which, somewhat ironically, keeps us focused on the IMF, but not Mr. Cruise's IMF, that other IMF – the International Monetary Fund – and what that IMF thinks about the world economy as we move further into 2021.

By way of background, the IMF was created in 1945, counts nearly 200 nations as members and is focused on, among other goals, fostering international monetary cooperation and sustainable economic growth. It is one of the most important transnational financial institutions of the post-WWII period. Well, that IMF just raised its forecast for global economic growth this year to 6% – nearly a full percentage point higher than its estimate from October 2020, and the greatest rate of global growth since the Fund began tracking data on a comparable set of countries in 1980.

Not surprisingly, greater growth expectations for the U.S. were a key catalyst for the upgrading of the Fund's global outlook, with the U.S. now projected to grow 6.4% this year (up nearly four percentage points from the October 2020 estimate). As we have written often of late, we are very optimistic on the U.S. economy as it gets pushed along by extraordinary policy support, flush consumer and corporate balance sheets and a robust housing market. Cue the cool theme music.



### Stocks, bonds, and commodities (4/9/2021)

Security name	Last	QTD chg	YTD chg	12mo chg
S&P 500	4128.80	3.92%	9.92%	48.00%
MSCI AC	342.95	2.05%	5.05%	43.95%
World ex USA				
MSCI EAFE	2262.48	2.45%	5.35%	40.80%
MSCI EM	1330.36	1.06%	3.03%	49.89%
Bloomberg				
Bardays US Agg	105.68	0.50%	-3.81%	-3.15%
Crude Oil WTI	59.34	0.30%	22.30%	160.72%
Natural Gas	2.52	-3.34%	-0.20%	45.47%

### Treasury rates (4/9/2021)

	Price	Yield
2Y	99.30 / 99.3	0.149
3Y	99.24 / 99.2	0.328
5Y	99.14 / 99.1	0.864
7Y	99.16 / 99.1	1.322
10Y	95.05 / 95.0	1.659
30Y	90.06 / 90.0	2.332

### Weekly reports

This week
• NAHB Housing Market Index
• U of M Consumer Sentiment Index
Last week
• Initial Claims: 744K
• PPI NSA Y/Y: 4.2%

# Brinker Capital Market Barometer

APRIL 2021

The increase in COVID-19 vaccinations should lead to the further reopening of the US economy, resulting in a broadening out of economic growth. Fiscal policy continues to be supportive and there is a good chance of another fiscal spending package later this year; however, it will require tax increases as an offset. The Fed is committed to an accommodative monetary policy until we see full employment and sustained higher inflation, neither of which we are close to achieving yet. Treasury yields have normalized in response to the improved economic outlook, but we will continue to watch the pace of further increases. The barometer has shifted even further into positive territory in April and is still aligned with our modest overweight risk positioning across portfolios.

## SHORT-TERM FACTORS (< 6 months)

	CHANGE	NEGATIVE	NEUTRAL	POSITIVE	
Momentum				●	Market momentum remains solid
Trend				●	US markets remain above 50-day and 200-day moving averages
Investor sentiment			●		Investor sentiment survey data has retreated from recent highs
Seasonality			●		Relatively weaker seasonal period post election

## INTERMEDIATE-TERM FACTORS (6-36 months)

	CHANGE	NEGATIVE	NEUTRAL	POSITIVE	
Fiscal policy				●	Additional spending package likely later in '21 but uncertainty around higher taxes
Monetary policy				●	Fed and global central banks remain very supportive
Inflation				●	Inflation at low levels but short-term inflation expectations have moved higher
Interest rate environment			●		Treasury yields still at low absolute levels and pace of normalization has slowed
Macroeconomic				●	Expect strong economic growth in 2021 driven by the COVID-19 vaccine/reopening
Business sentiment				●	CEO confidence increased sharply in 1Q2021 to a 17-year high
Consumer sentiment	→		●		Consumer confidence measures increased sharply in March
Corporate earnings				●	Year-over-year earnings growth turned positive in 4Q2020
Credit environment				●	Credit environment remains stable; little volatility in spreads

## LONG-TERM FACTORS (36+ months)

	CHANGE	NEGATIVE	NEUTRAL	POSITIVE	
Valuation		●			Equity valuations above long-term averages but not a near-term driver
Business cycle				●	We've entered a new expansion period with positive GDP growth since 3Q2020
Demographics			●		Mixed - US and emerging markets positive but developed international negative

Source: Brinker Capital. Information is accurate as of April 5, 2021. Themes and specific funds utilized to implement themes are discussed within the context of Brinker Capital's managed asset allocations and are based on current market conditions and constitute Brinker Capital's judgment and opinions, which are subject to change without notice. Past performance does not guarantee future results. Statements referring to future actions or events, such as the future financial performance of certain asset classes or market segments, are based on the current expectations and projections about future events provided by various sources, including Brinker Capital's Investment Management Group. These statements are not guarantees of future performance and actual events may differ materially from those discussed. Brinker Capital Inc., a registered investment advisor. MSCI AC World ex US Growth: An index made up of approximately the top 50% of the MSCI AC World ex US Index as composite ranked by five growth rates. This is a common proxy used to represent the growth segment of the developed international market. MSCI EAFE Index: A market-capitalized weighted index representing developed international equity markets located in Europe, Australia, Asia and Far East (EAFE). S&P 500 Index: An index consisting of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large-cap universe. Companies included in the Index are selected by the S&P Index Committee, a team of analysts and economists at Standard & Poor's. Barclays US Aggregate Index: A market capitalization-weighted index, maintained by Barclays Capital, and is often used to represent investment grade bonds being traded in the US. MSCI Emerging Markets: a float-adjusted market capitalization index representing 13% of global market capitalization. Captures mid and large cap across more than two dozen emerging market countries.