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*The Delta Variant is surging. Inflation reports released. Infrastructure bill passes the Senate. Troops have been redeployed to Afghanistan.*

If you're looking for past Investing Hot Sheets please visit our [Newsletter Archive \(/newsletter-archive/\)](/newsletter-archive/).

## The Hot List

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### 1. COVID-19

COVID-19 hospitalizations rose 30% (<https://abcnews.go.com/Politics/delta-variant-surges-covid-hospitalizations-rise-30-previous/story?id=79422938>) over the previous weeks as the Delta Variant surged.

### 2. Inflation

CPI (<https://www.bls.gov/news.release/cpi.nr0.htm>) and PPI  
(<https://www.bls.gov/news.release/ppi.nr0.htm>)

(<https://www.bis.gov/news.release/ppi.nr0.htm>) both came out last week for July showing more inflation, however some areas tied to the recovery are slowing like used cars and airline tickets.

### 3. Federal Reserve

Fed officials continue to support tapering

(<https://www.reuters.com/world/us/feds-bostic-says-he-favors-balanced-fast-approach-tapering-2021-08-09/>) as Jackson Hole draws near.

(<https://www.investors.com/news/economy/federal-reserve-meeting-wall-street-expects-yield-curve-control/>)

### 4. Infrastructure

The Senate passed the \$1 trillion bipartisan infrastructure bill

(<https://www.npr.org/2021/08/10/1026081880/senate-passes-bipartisan-infrastructure-bill>). It now heads to the House where it is no slam dunk.

### 5. Geopolitics

President Biden deployed 5,000 more troops

(<https://www.nbcnews.com/news/world/biden-authorizes-5-000-troops-afghanistan-amid-taliban-advance-n1276840>) into Afghanistan as the Taliban advanced

## Last Week

**Monday:** S&P 500 -4.17 (-0.09%) to 4432.35. Oil drops 4% on COVID-19 concerns.

**Tuesday:** S&P 500 +4.40 (+0.10%) to 4436.75. Senate passed bipartisan infrastructure bill.

**Wednesday:** S&P 500 +10.95 (+0.25%) to 4447.70. CPI rose 0.5% from last month.

**Thursday:** S&P 500 +13.14 (+0.30%) to 4460.84. Weekly jobless claims announced. PPI rose 1% from last month.

**Friday:** S&P 500 +4.07 (+0.09%) to 4464.91. Consumer confidence drops to pandemic-era low.

## Technical Look

**Possible Support:** 4400 and the 20-day moving average are areas to look for support.

**Possible Resistance:** Nearing all-time highs, there is no clear resistance to the upside.

## Mv Watchlist

Tech Titans (US) (<https://dreamwork.financial/tech-titans-us/>)

Financials (<https://dreamwork.financial/defensive/>)

Tactical Opportunities (<https://dreamwork.financial/tactical-opportunities/>)

Value (<https://dreamwork.financial/value/>)

## My Take

This resurgence in COVID-19 due to the Delta Variant is putting the reopening in jeopardy. The drop in consumer confidence and oil prices last week are reflecting these concerns.

The Fed has been out of the picture while earnings have been in focus, but now that earnings season is over, I'd expect that to change. Fed presidents are speaking up in favor of tapering asset purchases due to inflation data and strong economic data. However, they might delay those actions if the economy starts to shut down again. Investors will most likely have to wait until the Jackson Hole meeting later this month to get clarity.

With interest rates near the lows again, I'd expect the TINA trade to keep rolling as investors hunt for real returns. Now that earnings season is behind us, a lot of good news is getting baked into the prices. So, look for more volatility with the slew of catalysts in front of us. But at the end of the day, when inflation is going up and interest rates are going down, more money should pour into stocks.

If you need help, please **contact me at DreamWork Financial Group** (<https://dreamwork.financial/contact/>) to build your Investing Gameplan™.

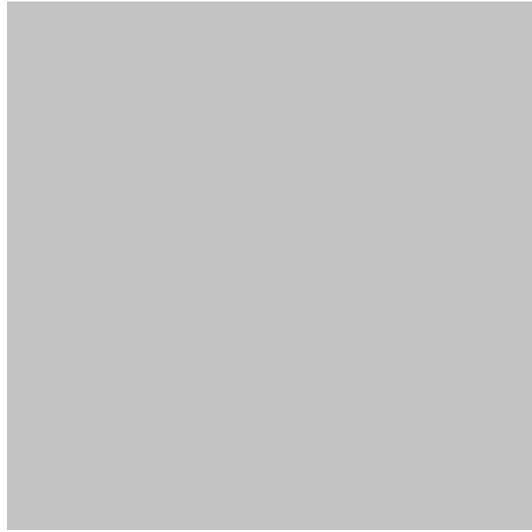
Until next time,

Clint Kirby

Chief Financial Strategist

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