

WEEK IN REVIEW

FRIDAY, APRIL 2ND 2021

1. PRESIDENT BIDEN UNVEILS \$2 TRILLION INFRASTRUCTURE PLAN

President Joe Biden revealed his plan to revitalize US transportation infrastructure, water systems, broadband, and manufacturing. Specifics include:

- \$621 billion for transportation infrastructures such as bridges, roads, public transit, ports, airports, and electric vehicle development
- \$400 billion to care for elderly and disabled Americans
- \$300 billion for improving drinking-water infrastructure, expanding broadband access, and upgrading electric grids
- \$300 billion into building and retrofitting affordable housing, along with constructing and upgrading schools
- \$580 billion in American manufacturing, research and development, and job training efforts

The Biden administration has argued that government infrastructure spending as a percentage of GDP has fallen over the past few decades, which has in his view necessitated this proposed increase in 2021.

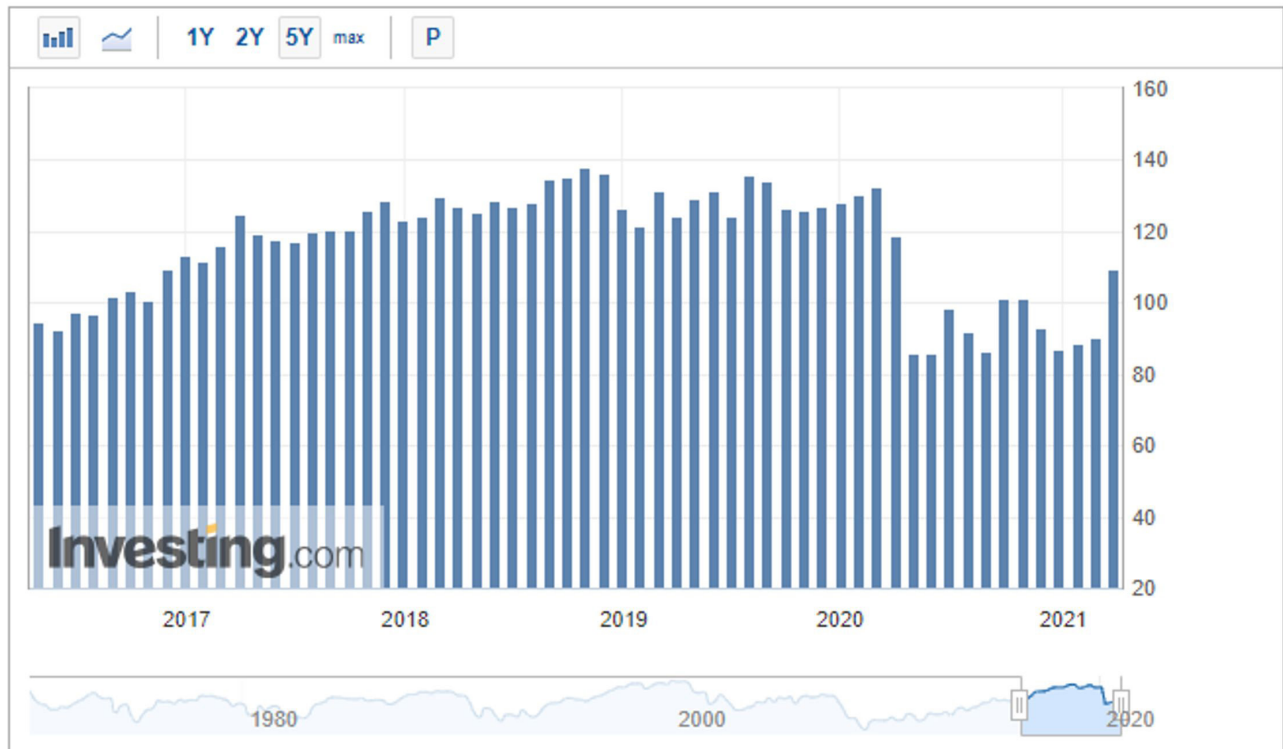
Biden also revealed his plan to pay for this infrastructure plan through specific tax raises and the elimination of loopholes. The main funding sources would include:

- Raise the corporate tax rate to 28% from 21%.
- Boost the global minimum tax for multinational corporations to ensure they pay at least a 21% rate in any country
- Close various corporate loopholes including writing off expenses related to offshoring

The proposed increase in the corporate tax rate would reverse the corporate tax decrease the Trump administration put through in 2017 that dropped the rate from 35% to 21%. The Biden plan does not have universal support from Democrats, and so this plan should be viewed as a starting point for negotiations. Some Democrats have voiced concern with the corporate tax rate going as high as 28%. Markets will have to wait to have a final determination of the implications to the economy.

2. CONSUMER CONFIDENCE SURGES

Consumer confidence exceeded expectations in March and is the best since the beginning of the pandemic. Per Factset, March Conference Board Consumer Confidence Index jumped 19.3 points month to month to 109.7, well-exceeding estimates for 96.0. Present Situations Index jumped 20.4 points month to month to 110.0, while the Expectations Index also rose 18.7 points to 109.6, the highest since July 2019. Consumer optimism led to higher purchase intentions for homes, autos, and other big-ticket items. However, inflation concerns in the short-term rose, most likely due to higher gas prices, which could weigh on spending intentions in the months ahead.



Source: <https://www.investing.com/economic-calendar/cb-consumer-confidence-48>

3. OVER 50% OF US POPULATION VACCINATED AGE 65+

Since vaccination efforts began in the US on December 14th, more than 150.3 million doses have been administered and more than 54.6 million people were fully vaccinated per the CDC. The US is currently administering around 2.8 million shots a day, up from 1 million at the beginning of January. Daily new coronavirus cases in the US are now averaging around 65,000 per day, up from recent lows.

Total Vaccine Doses	People Vaccinated	
	At Least One Dose	Fully Vaccinated
Delivered 195,581,725	Total 97,593,290	54,607,041
Administered 150,273,292	% of Total Population 29.4%	16.4%
Learn more about the distribution of vaccines.	Population ≥ 18 Years of Age 97,226,718	54,514,865
	% of Population ≥ 18 Years of Age 37.7%	21.1%
	Population ≥ 65 Years of Age 40,218,262	27,762,018
	% of Population ≥ 65 Years of Age 73.5%	50.8%

i About these data

CDC | Data as of: Mar 31 2021 6:00am ET | Posted: Mar 31 2021 12:39PM ET

Source: <https://covid.cdc.gov/covid-data-tracker/#vaccinations>

4. PFIZER VACCINE EFFECTIVE IN KIDS

The Pfizer-BioNTech coronavirus vaccine is extremely effective in young adolescents, perhaps even more so than in adults, the companies reported on Wednesday — a finding that could ease the return to normalcy for millions of American families (NY Times). No symptomatic infections were found among children aged 12 to 15 who received the vaccine in a recent clinical trial, the drug makers said. The children produced strong antibody responses and experienced no serious side effects. Depending on regulatory approval, vaccinations could begin before the start of the next academic year for middle school and high school students, and for elementary school children not long after. The companies announced the results in a statement that did not include detailed data from the trial, which has not yet been peer-reviewed nor published in a scientific journal. Still, the news drew praise and excitement from experts.

THINKING AHEAD

President Biden unveiled a \$2 trillion infrastructure package designed to bolster the US economy. Tax increases on corporations were proposed to fund the package. As the final deal is debated, the US economy continues to improve with consumer confidence surprising to the upside. US vaccinations steadily climb giving more hope to sustained economic activity in 2021. Pallas Capital Advisors will continue to monitor economic, political, and corporate data for implications to markets.

The information contained herein is for informational purposes only, is not personalized investment advice and should not be construed as a recommendation to purchase or sell any particular security, sector or strategy to any individual person or entity. The decision to review or consider the purchase or sale of any security, sector or strategy mentioned should not be undertaken without consideration of your personal financial information, investment objectives and risk tolerance with your financial professional. Past performance should not be considered as an indicator of future results.

Securities offered through Triad Advisors, LLC. Member FINRA/SIPC. Investment Advice offered through Pallas Capital Advisors LLC, a registered investment advisor. Pallas Capital Advisors, LLC is a separate entity from Triad Advisors, LLC.