Good Afternoon.

The advisory continually monitors the "Fundamental Economic Data," via the U.S. Bureau of Economic Analysis (BEA) and other pertinent, informational economic statistics.

The BEA produces some of the most closely watched economic statistics that influence decisions of government officials, businesspeople, and individuals.

These statistics provide a comprehensive, up-to-date picture of the U.S. economy. The data on this page are drawn from featured BEA economic accounts.

National Economic Accounts

Gross Domestic Product, First Quarter 2021 (Advance Estimate)

Q1 2021 (Adv)	+6.4%
Q4 2020 (3rd)	+4.3%

Real gross domestic product (GDP) increased at an annual rate of 6.4 percent in the first quarter of 2021, reflecting the continued economic recovery, reopening of establishments, and continued government response related to the COVID-19pandemic. In the first quarter, government assistance payments, such as direct economic impact payments, expanded unemployment benefits, and Paycheck Protection Program loans, were distributed to households and businesses through the Coronavirus Response and Relief Supplemental Appropriations Act and the American Rescue Plan Act. In the fourth quarter of 2020, real GDP increased 4.3 percent.

Personal Income and Outlays, March 2021

March 2021 21.1%
February 2021 -7.1%

Personal income increased $4.21 trillion, or 21.1 percent at a monthly rate, while consumer spending increased $616.0billion, or 4.2 percent, in March. Economic impact payments established by the American Rescue Plan Act of 2021, which was enacted on March 11, 2021, were distributed.

Industry Economic Accounts

International Economic Accounts

U.S. International Transactions, Fourth Quarter and Year 2020

Q4 2020	-$188.5B
Q3 2020	-$180.9b
Annual 2020	-$647.2B
Annual 2019	-$480.2B

The U.S. current account deficit widened by $7.6 billion, or 4.2 percent, to $188.5 billion in the fourth quarter of 2020, according to statistics from the U.S. Bureau of Economic Analysis. The revised third quarter deficit was $180.9 billion. The fourth quarter deficit was 3.5 percent of current dollar gross domestic product, up from 3.4 percent in the third quarter.

U.S. International Investment Position, Fourth Quarter and Year 2020

End of 4th quarter 2020	-14.09 trillion
End Of 3rd quarter 2020	-$13.86 trillion
End of year 2020	-$14.09 trillion
End of year 2019	-11.05 trillion

The U.S. net international investment position, the difference between U.S. residents' foreign financial assets and liabilities, was −$14.09 trillion at the end of the fourth quarter of 2020, according to statistics released by the U.S. Bureau of Economic Analysis (BEA). Assets totaled $32.16 trillion and liabilities were $46.25 trillion. At the end of the third quarter, the net investment position was −$13.86 trillion.

U.S. International Trade in Goods and Services, February 2021

February 2021	-$71.1 billion
January 2021	-$67.8 billion

The U.S. monthly international trade deficit increased in February 2021 according to the U.S. Bureau of Economic Analysis and the U.S. Census Bureau. The deficit increased from $67.8 billion in January (revised) to $71.1 billion in February, as exports decreased more than imports.

The previously published January deficit was $68.2 billion. The goods deficit increased $2.8 billion in February to $88.0 billion. The services surplus decreased $0.5 billion in February to $16.9 billion.

New Investment by Foreign Direct Investors
$194.7 BILLION (PRELIMINARY)

Expenditures by foreign direct investors to acquire, establish, or expand U.S. businesses totaled $194.7 billion in 2019, down 37.7 percent from $312.5 billion in 2018.

Regional Economic Accounts

Gross Domestic Product by State, 4th Quarter 2020 and Annual 2020 (Preliminary)

Real gross domestic product (GDP) increased in all 50 states and the District of Columbia in the fourth quarter of 2020, as real GDP for the nation increased at an annual rate of 4.3 percent. The percent change in real GDP in the fourth quarter ranged from 9.9 percent in South Dakota to 1.2 percent in the District of Columbia.

State Annual Personal Income, 2020 (Preliminary) and State Quarterly Personal Income, 4thQuarter 2020

State personal income increased 6.1 percent in 2020 after increasing 3.9 percent in 2019. In 2020, the increase in transfer receipts was the leading contributor to personal income growth in all states and the District of Columbia. The percent change in personal income across all states ranged from 8.4 percent in Arizona and Montana to 2.4 percent in Wyoming.

Personal Income by County and Metropolitan Area, 2019

In 2019, personal income increased in 2,964 counties, decreased in 139, and was unchanged in 10. Personal income increased 4.0 percent in the metropolitan portion of the United States and increased 3.5 percent in the nonmetropolitan portion.

Real Personal Income by State and Metropolitan Area, 2019

Real state personal income grew 2.4 percent in 2019 after increasing 3.1 percent in 2018, according to estimates released today by the Bureau of Economic Analysis (BEA). Real state personal income is a state's current-dollar personal income adjusted by the state's regional price parity and the national personal consumption expenditures price index.

The percent change in real state personal income ranged from 4.1 percent in Maine to 0.7 percent in Hawaii, Wyoming, and Rhode Island. Across metropolitan areas, the percent change ranged from 7.6 percent in Hanford-Corcoran, CA, to –3.2 percent in Panama City, FL, and Wheeling, WV-OH.

Personal Consumption Expenditures by State, 2019

US PCE GROWTH 3.9%
State personal consumption expenditures (PCE) increased 3.9 percent in 2019, a deceleration from the 4.9 percent increase in 2018. The percent change in PCE across all states ranged from 5.7 percent in Utah to 1.8 percent in Vermont.

Understanding economic fundamentals provide insight for the advisory during economic transitions and examples of how the Covid19, has pretty much changed the economic landscape from the previous economy and the past traditional business cycles.

Hence, these changes will definitely allow new opportunities and business that fail to change with this new (here-to-stay) economy, will likely experience hard times.

This fundamental data reflects a shift from the past business cycles to a more virtual, technical economy, that appears to be more driven towards greater efficiency, while turbulence will be evident in this ever-changing business climate.

Hence, Rotation, Rotation, Rotation and identification of current and new sectors will be our focus in this faster paced economy.

There's the so-called "Big Rotation" out of bonds and into stocks. These days, it all starts with the virus, vaccine success and re-opening, the increasingly large snap-back rebound in GDP, and trying to handicap inflation and what the Central banks will do about it. Massive stimulus, pent-up demand and savings, supply chain kinks, low labor force participation—it all seems pretty reasonable. Rates are on the rise because market participants think rates are on the rise.

Actually though, talk of the big rotation started well before COVID, and it all started with interest rates being lower than almost anybody could imagine at the time. That was when the 10-year U.S.treasury yield broached the 1.5% level in 2012, nearly ten years ago. 2013 was the first "taper tantrum," and folks were certain that we'd kissed the bottom on rates for the 30-year cycle. An imminent rise in rates and a rotation into stocks has been expected any day now ever since.
That interest rates could be negative was as incomprehensible back then as a fish riding a bicycle. Now your Cat in the Hat goldfish can order a Peloton on-line, have it shipped to the house, and do a virtual workout right in the bowl. Who needs legs?

Just last year when the ten-year yield cliff-dived down into the 50-basis point tub of water, there was a not-small cohort in the audience that thought we'd go negative in the U.S. It's worth keeping in mind that the underpinnings supporting that line of reasoning were very high levels of debt ,unfavorable demographics, and low productivity driving very slow growth that could only be sustained (for how long?) by ultra-low rates.

That, by the way, has not changed—there's even more debt now and we are not getting any younger, or more productive for that matter. Meanwhile, the idea of some level of "permanent income" gains increasing traction.

There are shorter cycles and longer cycles. It pays to know the one in which you are pedaling.

That said, the flows lately have been out of bonds and into equities. At the same time, lots of U.S.Treasury debt (lots and lots) will need to be sold to finance the stimulus with heightened focus on the auctions of these larger nominal amounts.

What is the composition of the types of buyers, and what are they doing with the stuff once they have bought it? Once it gets sold, it has to be serviced with this thing called interest payments. The higher the interest rate and the more principal to which the rate is applied, the larger the burden on the payer. That would be you and me. There is an incentive to keep that burden from blowing up.

There's the style rotation from growth to value and large to small. The prior rotation was pretty much one sided for the past several years favoring growth over value and large over small. The gaps between both of which got very big. The market took several swings at reversing that rotation last year, largely without success.

Until the last three months of the year, when the rotation back to value and small cap stocks started to get its base, driven mainly by the amazing vaccine news, the crowded one-way positioning, and the yawning performance differential. That has continued thus far in 2021 and the new rotation is showing signs of sticking.

The factors driving the rotation into equities from bonds (as pointed out above in the Great Rotation section), are also driving a rotation out of names benefitting from the fallout from COVID which remain higher, and into COVID recovery names, which had been pummeled, but have recovered to near and even above pre-COVID levels.

The result is that nothing is "cheap" anymore, and the relative attractiveness of one versus the other is not at all clear. This is a set up for more emotional factors to drive movements in these cohorts; another recipe for the volatile swings from one to the other that we have seen the last couple of weeks.

There's the sentiment rotation from greed to fear.

What fear you might ask? There's very little to be found judging by the two rotations above.

Equity markets remain at all-time highs, and fixed income is being sold. The VIX (a measure of the CBOE Volatility Index) tells a bit of a different story though.

The 20 level is an informal line between "less volatile" and "more volatile." It stayed mostly above this level from 2007 to 2012, the same period during which the S&P 500 recovered from the Great Financial Crisis.

The VIX stayed mostly below this level from 2012 until COVID hit in 2020 but has since moved back above 20. The current level in the low 20s may not be indicating out-and-out fear of the panicky sort, but it is reflecting elevated uncertainty and a high level of nervousness among investors. The mindset is more akin to "can't participate if you're not in, can't protect if you're not out, so I'm in now, but I want to be out before you." That is a set up for spikes in volatility.

Our Gyroscope remains the weight of the evidence.

Being whip-sawed in an unstable environment is no way to invest money needed to meet real long-term goals. Our investment process is designed to maintain and evolve positions that express exposures that the evidence from multiple sources suggests is best suited for the intermediate term future.

We execute this process through a combination of both tactical and secular holdings. Our current positioning remains tilted towards the conservative side.

While identifying the correct sectors first, then identifying the solid companies within a particular sector, with a myriad of financial requirements to be meet, before allocating to a managed account, along with a very disciplined buy-sell management and to allocate no more than 5.00% to any one particular securities (very rarely will we overweight)

The advisory managed portfolios are built to endure many different events, as we have witnessed in 2020.

"2020 was a very good year, considering the events both economically and politically."

TGA Capital Management Active Portfolio Management is one of the few advisories providing Sector Rotation.

It is Active Management, unlike mutual funds, or ETF's or bundled mutual funds consisting of equities or bonds.

Sector Rotation applies now more than ever, with the ever changing, evolving U.S., and Global economies.

How Sector Rotation Works

Individuals or portfolio managers may deploy a sector rotation strategy. Sector rotation requires a great deal of liquidity and broad latitude in order to make changes to investment positions within a portfolio. If broad trading flexibility is available, then sector rotation may prove to be a viable way to position investment portfolios to take advantage of market cycles and trends providing for capital appreciation potential in particular areas of the investment universe.

Sector rotation seeks to capitalize on the theory that not all economic sectors perform well at the same time. Put simply, the theory implies that a well-performing sector will continue to outperform only to fall out of favor at some point in the business cycle and be replaced by another sector in the economy.

Managers will buy funds when a sector is about to come into favor and sell them when the sector's performance peaks. Portfolio and fund managers use these strategies to rotate investment capital to sectors they feel offer profitable investing opportunities. In-depth research on the economy and data from the National Bureau of Economic Research (NBER) helps to support

sector rotation investing. Other types of sector rotation investing may center around seasonal or yearly trends, with data supporting advantages to rotating in and out of different profitable categories throughout the year.

Research on market cycles forms the broad basis of investment theory around sector rotation investing. Broad market sector rotation investing seeks to follow market cycles of the economy. These cycles can be characterized in various ways but are usually associated with bullish and bearish outlooks as well as recessions, recoveries, expansions, and contractions.

Sectors in favor;

Sector ▲	Bi-Weekly
S&P 500 Market	
Communication Services 620 companies, 95 rated	Marketperform
Consumer Discretionary 1099 companies, 312 rated	Marketperform
Consumer Staples 546 companies, 111 rated	Underperform
Energy 868 companies, 99 rated	Marketperform
Financials 1546 companies, 502 rated	Outperform
Health Care 1871 companies, 610 rated	Outperform
Industrials 1291 companies, 389 rated	Marketperform
Information Technology 1297 companies, 373 rated	Marketperform
Materials 1604 companies, 122 rated	Marketperform
Real Estate 372 companies, 186 rated	Marketperform
Utilities 228 companies, 70 rated	Underperform

Sector rotation strategies that follow economic market cycles often seek to identify bullish sector opportunities by expanding markets and mitigating losses through sector rotation to safe havens in recessionary markets. In one sense, sector rotation is a concept that most active portfolio managers keep in mind when they consider all types of investments. However, implementing sector rotation strategies with significant market depth requires comprehensive foresight and access to in-depth market research for success.

Special Considerations

Sector rotation investment funds are not broadly offered for retail investors in the investment universe.

Several institutional investment managers also offer sector rotation investing strategies. These managers typically use a fund of funds strategy to obtain market exposure. Institutional investment managers offer sector rotation funds based on the sectors of a single economy, or they may also use sector rotation to develop a portfolio of investments across individual countries.

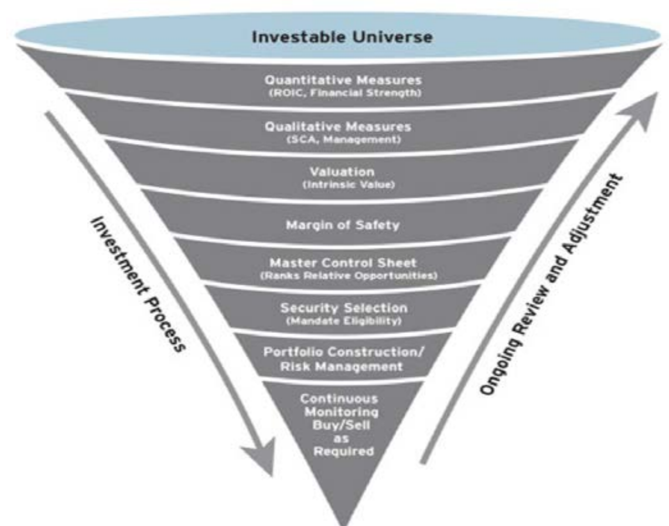
Once TGA Capital Management identifies the appropriate sector, we than apply what we call the buy side disciplines that must be meet before allocating these securities to our managed accounts via the funnel process.

How do we select and find the best?

We look at an entire sector of "Reits, Stocks, Bonds, as a singular universe of equities matched to a client "RISK NUMBER."

We'll fill the funnel with several equities from a given sector, and guess what? After applying our disciplines of what we look for, we might only find, "The Best."

So filling the funnel with 1,100 hundred stocks based on a myriad of requirements, we may find only 10 to 20 sometimes more or less that meets the advisory clients Risk Number.



TGA
CAPITAL MANAGEMENT

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So let us know how to assist you while we extend our advisory website resource to you, without any obligation or solicitation. We do not and will not provide your information to any third party. Your inquiries are always strictly confidential.

The advisory purpose is to provide a website to be educational and informative. To help you make cost-effective, informative decisions and to help you avoid the "Pitfalls," as outlined in the (Retirees Suffer as 401k Rollovers Enrich Brokers),

We look forward to you helping you make "Prudent," decisions, based on realistic, transparent due diligence about your concerns.

In the interim, visit here > RIA Stands for You, to familiarize yourself with the distinct difference of why you should consider, "working with a Registered Investment Advisor with TGA Capital Management.

Click here to schedule a consultations today.

I can be emailed at the advisory and look forward to be connected to stay connected with you at mgreen@tgacapitalmanagement.com or call us at today 508-224-9646.

Thank you for your time. I look forward to discussing your concerns and to remain in contact with you.

Sincerely,

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