



HERITAGE CAPITAL LLC

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Markets continue to be volatile as I have been writing about on the blog. I expect that theme to continue this week. The culprit has been the dramatic rise in long-term bond yields. The 10-year note has risen from 0.50% to 1.60% since August. Markets can adjust to most things, however, they tend to stumble when changes happen in spike fashion.

This big question is whether this is just another modest pullback in an ongoing bull market or something more serious. The majority of the evidence points to the former.

In February, all five major stock market indices scored fresh, all-time highs. All four key sectors were in gear to the upside. The high yield bond market, although not as robust, was still stable and trending higher.

On the flip side, I have been writing about the historic level of greed and euphoria in the markets. That is unlikely to be repaired with a simple, single digit decline. However, bull markets typically do not end with the current landscape.

In short, stocks are either in the process of hammering in a low right now or will do so with another few percent lower. Either way, buying weakness continues to be the preferred strategy. I am not looking for anything more than a simple, single digit decline as I wrote about in my 2021 Fearless Forecast. I would really like to see a day or two when bond yields rise and stocks defy the latest logic and rise as well.

Last week, I did two fun interviews. The first one is below and I discussed the latest in the Gamestop Saga as the stock suddenly sprung to life. I also talked about my main themes for 2021.

[**Investors Hub**](#)

The other interview I did was with TD Ameritrade Network on the technology sector. Most of you know that I turned neutral to negative on mega cap tech

stocks last August, especially Apple which I took a lot of heat on. Here is an update and more.

[TD Ameritrade](#)

Thank you to all who registered for last Sunday's webinar with my friend, Dr. David Banach, one of the true experts on infectious disease in CT. I give David a lot of credit as he withstood dozens of super smart and timely questions from attendees. Personally, I thought the segment on vaccines and dispelling some of the myths was very helpful.

Here is the replay.

[COVID Webinar w/ Dr. David Banach](#)

Below are two questions that I received after the webinar and I promised to share.

Do we know what our immune system will do with new variants a year from now and how it could negatively interact vaccine with immune system?

Hard to predict what the variants will look like in the future - which ones will be circulating. I don't think they would necessarily have an impact on our immune systems but the key would be whether our immunity (either from natural infection or vaccine) will provide protection. Fortunately, our immune system makes a "polyclonal" response in that it attacks the virus in different ways, but if the virus does mutate enough there is potential for evading the vaccine-induced immunity and even our immunity after an infection - fortunately, if necessary the vaccines can be adapted if needed. Stay tuned....

You said in the webinar that if I had COVID I only needed one vaccine because my body was primed. What if I get both vaccines and I didn't know I already had COVID. What will that do to my body?

Fortunately, the clinical trials for the Moderna and Pfizer vaccines included people who were previously vaccinated and there were no specific safety issues that arose. Anecdotally, what we are seeing is those who have had COVID and receive their first vaccine do tend to get more significant

post-vaccine symptoms (usually about 24h after) and when they receive their second dose they tend not to get that level of symptoms. Again, anecdotal but an interesting observation. At this point the recommendation from CDC is that people who have had COVID should still get both doses, though it's possible that in the future only one dose will be required.

As always, please don't hesitate to call, email or Skype with any questions, comments or concerns.

If you are looking to schedule a call, Skype or Zoom meeting, here is the link to my calendar. <https://schedulewithpaul.as.me/>

Early mornings, evenings and weekends should be scheduled directly with me.

Thanks

To Your Financial Success,

A handwritten signature in blue ink that reads "Paul Schatz". The signature is fluid and cursive, with the first name "Paul" and the last name "Schatz" clearly visible.

**Paul Schatz
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