CHIEF INVESTMENT OFFICE

Capital Market Outlook

February 1, 2021

All data, projections and opinions are as of the date of this report and subject to change.

IN THIS ISSUE:

- Macro Strategy—Progress on coronavirus vaccinations along with positive macroeconomic data released last week broadly support our overweight to equities and our cyclical, reflationary tilt within U.S. equities toward Industrials, Materials, Financials and Small-caps.
- Global Market View—The U.S demographic profile has shifted since the pandemic by amplifying the forces already hampering health population advances—such as fertility and mortality rates, but also immigration and labor force growth. The consequences of these dynamics are already being felt globally, and increasingly so, through slower structural growth in many regions of the world and muted long-term inflation expectations.
- Thought of the Week—After a difficult start last year, owing to the intense economic disruption caused by the pandemic, Financials began a surge in the fourth quarter and have enjoyed one of their best relative periods in years. With a reflationary macro backdrop and corporate profit estimates currently increasing, this uptrend may have legs to run.
- Portfolio Considerations—We expect a "grind-it-out" year in equity returns that could far outpace fixed income, and what matters most is our expectation for a broad market advance relative to the narrow advances we have recently experienced, in our view. The bull market for equities is expected to continue in 2021, in our opinion, and investors should consider reassessing their portfolio allocations early in Q1.

MARKET VOLATILITY UPDATE

Last week's volatility spike included the largest one-day increase in the Chicago Board Options Exchange (CBOE) Volatility Index (VIX) since last year's pandemic-driven bear market of February and March. Investors faced a short squeeze and a major bout of deleveraging pressure, prompted by a surge in retail volumes across a number of Small-cap and Mid-cap equity listings. Retail investor buying drove large upside price movements in specific individual equity names, forcing larger institutional and hedge fund investors to close out their short positions at higher prices and sell down other portfolio holdings to meet margin calls. This process in turn led to yet more deleveraging and more price weakness for larger, more liquid stocks in a downward vicious cycle that pulled the S&P 500 down by 3.3% on the week.

While the past week's selloff was sharp, we would expect the effect on the broader equity market to be short-lived. Margin debt as a share of total equity market capitalization remains well below past extremes. And while stock-specific volatility could well persist, the

MACRO STRATEGY

Jonathan Kozy
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GLOBAL MARKET VIEW

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THOUGHT OF THE WEEK

Nick Giorgi, CFA®
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wide disparity in size between these smaller names and the Large-cap listings that dominate the major indexes should make for a limited effect on any sustained basis for the market as a whole. Throughout the last cycle, major short-term spikes in volatility tended to be followed by outsized gains for equity markets as sentiment recovered and investors bought back on weakness, and we would look for a similar pattern to emerge from this latest period of market turbulence.

We expect the primary trend in market direction to instead be driven by the improving fundamentals for economic growth and corporate earnings. In our view, we remain in the early stages of a cyclical recovery driven by a vaccine-led reopening of the major economies, as well as substantial monetary and fiscal policy tailwinds from central banks and governments around the world. Participation in the market advance is likely to broaden across equity sectors, regions and styles as real activity returns to pre-crisis levels on a global basis and as investor confidence in the recovery becomes more widespread. As a result, we believe that increased portfolio diversification both across and within asset classes will remain a key consideration for investors as we move further into the economic expansion and to the other side of the pandemic.

MACRO STRATEGY

What We Learned Last Week

Jonathan Kozy, Managing Director and Senior Macro Strategy Analyst

Even as volatility picked up, macroeconomic data released last week reaffirm our view that both real economic growth and inflation in the U.S. have upside potential versus consensus expectations. Fiscal and monetary policy are firmly supportive. With additional fiscal stimulus likely this year, it appears possible that the levels of both nominal gross domestic product (GDP) and profits in the U.S. will be higher in 2022 than pre-pandemic trends would have projected. Better-than-expected nominal growth could be reflected in earnings upside surprises and higher long-term interest rates, supporting our equity overweight (and fixed income underweight) and our cyclical, reflationary tilt within U.S. equities toward Industrials, Materials, Financials and Small-caps.

Another Upside Surprise To Close 2020

Looking at the data from last week, real GDP for the fourth quarter grew at a 4.0% annualized rate even as the pandemic surged into the end of the year. The underlying data showed strength in the most cyclical parts of the economy (housing and business equipment spending, for example). The growth rate pushes the U.S. economy to the brink of a full recovery in output. Consensus forecasts[1] for fourth quarter growth were as low as 3% in September, moved up to 3.8% through last week, and actual growth came in slightly stronger than that.

The International Monetary Fund (IMF) released its new forecasts for global growth, raising its forecast for U.S. GDP growth this year. The new forecast for growth from the IMF suggests that by 2022, U.S. economic output will be just 1.5% smaller than projected before the pandemic. It forecasts growth of 5.1% this year and 2.5% next year, compared with BofA Global Research's forecasts for 6.0% and 4.5%, respectively. We see significant upside to these forecasts because it excludes additional fiscal stimulus and likely underestimates the endogenous cyclical momentum. In our view, this makes it very possible that nominal U.S. economic output (and profits) in 2022 will be higher than pre-pandemic trends would have projected, supporting our equity overweight. Upside potential for nominal GDP is an important factor driving our tilt toward Industrials and Materials.

Fiscal Policy—Treasury Secretary Janet Yellen Says "Act Big"

As mentioned, the new IMF forecasts for the U.S. do not include President Biden's $1.9 trillion proposal, which would take fiscal stimulus to an unprecedented level. Applied Global Macro Research (AGMR) noted that they are "running out of adjectives" to describe fiscal stimulus in the U.S. in response to President Biden's $1.9 trillion proposal. While a lower

[1] Source: Bloomberg as of January 2021.

number is likely, even half that amount would make a significant contribution to economic growth over the next few years. And key policymakers are on board. Janet Yellen, who understands the importance of reflation (and the downside risk of deflation) as well as any policymaker in the U.S., stated in her confirmation hearing: "Neither the President-elect, nor I, propose this relief package without an appreciation for the country's debt burden. But right now, with interest rates at historic lows, the smartest thing we can do is act big. In the long run, I believe the benefits will far outweigh the costs, especially if we care about helping people who have been struggling for a very long time."[2] Fiscal policy is playing an outsized roll in reflationary efforts and is an important reason why we are maintaining our overweight to equities despite extended valuations.

Monetary Policy—Dovish

For its part, the Federal Reserve (Fed) is staying the course with rates pinned near zero and asset purchases to remain steady. On the back of a $140 billion increase in the Fed's balance sheet in December, the eighth largest monthly increase on record, the Federal Open Market Committee (FOMC) statement and Fed Chair Powell's press conference aggressively reaffirmed its reflationary stance. The key takeaway is that the Fed welcomes higher inflation if it means avoiding more dangerous downside risks. When combined with fiscal policy stimulus, we continue to believe inflation has potential to contribute to higher-than-expected nominal output.

Positive Underlying Cyclical Momentum

Fiscal and monetary policy stimulus are pushing forward at the same time the investment sectors of the economy (Housing, Business Investment and Consumer Durables) already have momentum. We see the potential for upside surprises to private sector demand this year and next. Chair Powell acknowledged this cyclical strength in his press conference, citing strong auto sales and demand for other consumer durable goods.

In the Housing sector, home prices are surging, an overlooked catalyst for strong financial sector performance. The S&P CoreLogic U.S. House Price Index (HPI) rose 9.5% year-over-year in November, and Evercore ISI's home builder survey reached an all-time record. While the yield curve and long-term interest rates get the lion's share of attention as key indicators for banks, rising home prices are a key macro support for the Financial sector, reinforcing our view that this sector will continue to gain momentum. Additional fiscal stimulus would add fuel to the fire by supporting inflation and growth expectations and longer-term interest rates even while the Fed keeps short-term rates locked near zero. To the extent that fiscal stimulus reduces consumer and business default risks, banks will likely also be able to release loan loss reserves. Lastly, a rebound in the labor market could be a strong tailwind for financial stocks. Weekly initial and continuing claims for unemployment insurance suggest we are in the early stages of the labor market bouncing back from pandemic-related weakness in December 2020 and January 2021.

Durable goods data released last week showed that business capital expenditure (CAPEX) investment spending finished 2020 on a strong note, with orders pointing toward strong momentum. Core capital goods orders (nondefense durable goods orders excluding aircraft) rose 0.6% for the month of December and finished the year up 8.4%. While the outlook for CAPEX is positive, on balance, for 2021, the transition from a "goods" expansion to the unleashing of consumer pent-up demand in the services sector later in the year could mitigate the momentum in CAPEX. But the profits cycle will likely serve to reinforce positive momentum.

Get Your Jabs

Both Fed Chair Powell and Secretary of Treasury Yellen stressed the important role coronavirus vaccinations play for the economic outlook. According to the Center for Disease Control (CDC) and Oxford University, vaccinations and infections in the U.S. are near 25% of the population[3] and vaccination progress has improved to a pace of over

[2] "Finance Committee Questions For the Record," United States Senate, Committee on Finance, Hearing On The Nomination Of Dr. Janet Yellen, January 21, 2021.

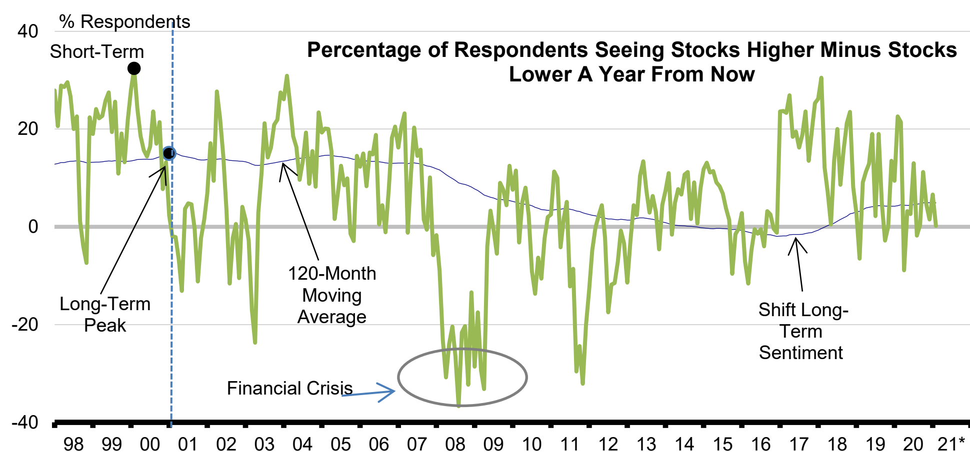
[3] Sources: Strategas Research, CDC, Oxford University as of January 2021.

1 million per day. This is a positive sign that the economy has a shot at a much healthier second half of 2021.

Bubbles on the Brain

With the VIX surging above 30 last week, it is clear that market expectations of tail risk are elevated. The BofA Global Research Financial Stress Index Skew component rose last week and is one standard deviation above normal, indicating a high demand for hedging against large swings in the market. Given the amount of liquidity in the system from fiscal and monetary stimulus, many investors are rightly concerned with irrational exuberance. While it is clear the amount of stimulus in the system is finding its way to both worthy and unworthy assets, the data from the Conference Board Consumer Confidence Index (CCI) survey may ease some concerns about U.S. equities. The percentage of consumers in the survey who see stocks higher in a year versus those who see stocks lower in a year is near neutral, according to this measure (Exhibit 1). Using the long-term average as a measure of long-term sentiment shows optimism remains positive but has flattened out. In comparison, the tech bubble in 2001 featured both a surge in short-term sentiment and a peak in long-term sentiment.

Exhibit 1: Equity Market Sentiment Neutral By This Measure.



*=Estimate. Source: The Conference Board. Data as of January 26, 2021. Past performance is no guarantee of future results.

Bottom line: We continue to believe equities are vulnerable over the next few months, but underlying dynamics remain positive, healthcare outcomes are improving, and both fiscal and monetary stimulus are on call.

GLOBAL MARKET VIEW

Measuring Coronavirus Influence on Demographics

Lauren J. Sanfilippo, Vice President and Investment Strategist

Joseph P. Quinlan, Managing Director and Head of CIO Market Strategy

The U.S. demographic profile has shifted since the pandemic by amplifying the forces already hampering health population advances—such as fertility and mortality rates, but also immigration and labor force growth.

In contrast to the coronavirus-induced boom industries of 2020, the expected boom in babies was more of a bust. A report from the Brookings Institution estimates as many as 500,000 fewer babies might be born in 2021 which equates to a 13% drop from the year prior.[4] A baby bust is bad for diaper, binky and formula businesses, but also the broader U.S. population and growth. Demographics overwhelmingly influence the labor market inputs, but also the capacity for consumption and the taxpayer base to support a growing retiree population.

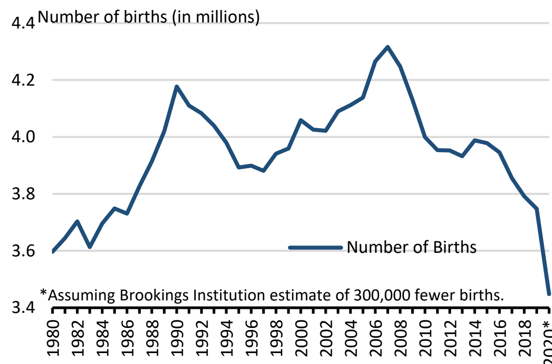
[4] Brookings Institution report, "The coming COVID-19 baby bust: Update," December 17, 2020.

The following four measures help gauge the influence the pandemic has had on demographics.

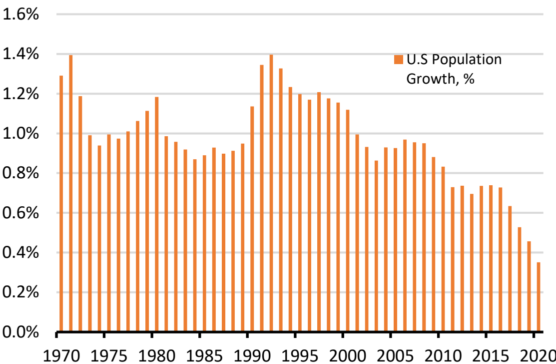
- The number of babies born in the U.S. peaked at 4.3 million in 2007 and has fallen almost every year since, reaching 3.7 million by the end of 2019, with estimates suggesting a baby bust for the pandemic year in the range of 300,000 and 500,000 (Exhibit 2A). With ongoing pressures (income/job loss, general economic uncertainty) from the pandemic, the fertility rate—the average number of children a woman has in her lifetime—is expected to have declined to 1.7 children, well below the replacement level fertility rate of 2.1 children per woman that ensures the population remains steady. Other recessionary times have seen a link between falling fertility and economic malaise. Every 1% increase in unemployment translates to a 1.4% drop in birth rate based on the 2008/2009 Great Financial Crisis data.[5] Pew Research found the only state to show a slight increase in fertility between 2008 and 2009 was North Dakota, which had one of the lowest unemployment rates in the country. The national birth rate experienced a sharp decline below the rate of replacement during the Great Recession and has since not recovered.
- The world's population is expanding at its slowest pace since 1950, exerting a powerful deflationary drag on economic activity. The brakes are being applied to population growth around the world, with the U.S. included (Exhibit 2B). The U.S. population grew only 0.35% from July 2019 to July 2020, an increase of 1.1 million people, according to Census Bureau estimates. In fact, annual U.S. population increases have been slowing over the last two decades, from about 3 million, or 1.1%, at the turn of the century to about 1.2 million, or 0.35%, by 2020, Census figures show.
- The lower population growth rate and baby bust place a bigger burden on immigration to help drive population growth. In recent years, Trump administration restrictions on both legal and illegal immigration have reduced net migration into the country from about 1 million to an estimated 600,000 last year (Exhibit 2C).
- Reduced immigration and population growth implies a smaller tax base and worsening ratio of workers to retirees. The weight of the retiree population increasing falls on the working-age population. As Exhibit 2D shows, in the U.S. for every 100 working-age adults, there are 26 individuals over 65. A rising old-age dependency ratio means that those of working age increasingly carry the economic burden of care for the nonworking elderly. Given the demographics over the next 20 years, the United Nations estimates the ratio will reach 35 for every 100 by 2040, a narrowing prospect for the taxpayers and Social Security and entitlements base.

Exhibit 2: Demographics meets Coronavirus: Four dynamics to watch.

A: Pandemic Parenting Trap



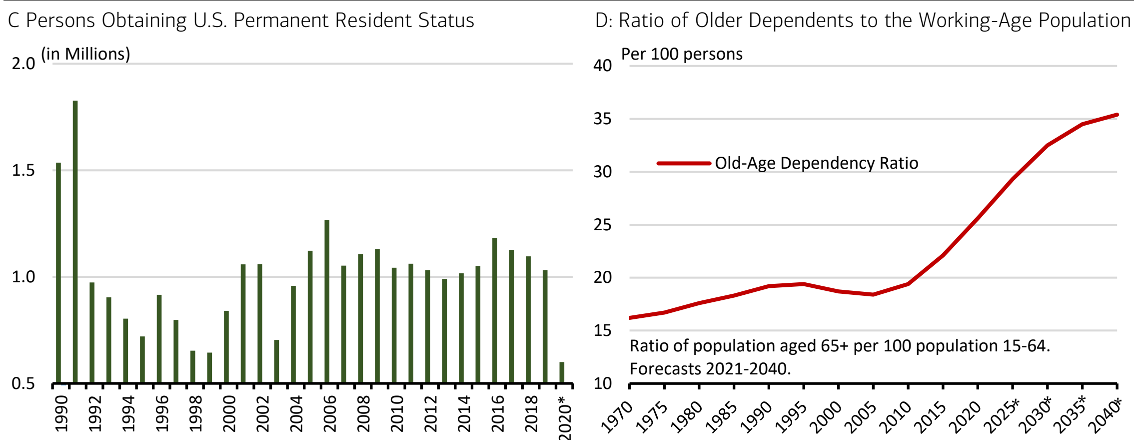
B: Lowest Population Growth in Recent History



*=Estimate. Sources: Exhibit A: National Center for Health Statistics; Brookings Institution. Exhibit B: Census Bureau. Data as of December 2020.

[5] Ibid.

Exhibit 2 *Cont'd*: Demographics meets Coronavirus: Four dynamics to watch.



*=Estimate. Sources: Exhibit C: Department of Homeland Security. Exhibit D: United Nations Department of Economic and Social Affairs. Data as of December 2020.

Demographics Gone Global

Complicating matters, these dynamics are not unique to the U.S. For example, three decades of economic stagnation in Japan reflects, in large part, the country's falling working-age population and overall decline in population. Ditto for Europe, where shrinking labor forces and declining fertility rates in many nations have sapped and undermined economic growth, and contributed to the forces of global deflation. Poland, population 38 million, saw its deaths spike considerably as the coronavirus spread, shrinking the population, while registering its lowest birth rate since 2005 against its highest death rate since World War II. Leading the global population drop, however, is South Korea's record-low number of births. Home to the lowest fertility rate in the world, South Korea's birth rate has been in decline for years, sitting at 1.1 last year, according to the United Nations. Without an increase in the fertility rate or liberal immigration policies, the U.S. no longer stands apart from aging Japan, demographically stagnant Europe and the rest of the developed world.

Investment Implications

So what does all of the above mean for investors and the construction of portfolios? The following is key: The one-two punch of a pandemic-induced baby bust, and a rapidly aging global population and labor force militates against a structural shift higher in inflationary expectations. The latter, of course, is top of mind for investors this year given the unprecedented monetary expansion of the past year coupled with rising prices for various commodities, shipping rates and other inputs. However, we, like the Fed, believe any price increases this year will be "transitory." Moreover, and taking the long view, the baby bust only adds to the deflationary forces of global demographics, a topic we have written about at length in the past (most recently: Post the Pandemic: Debt, Deglobalization, Digitalization, Demographics, Capital Market Outlook, May 11, 2020.)

The economic consequences of this dynamic are already being felt—think slower structural growth in many key regions of the world along with muted long-term inflation expectations. Global aging suggests continued earnings upside for the global healthcare industry, notably drugs and medical equipment/devices. From an investment perspective, the forces of demographic deflation and low growth tend to favor companies that can grow their dividends and grow earnings at an above-average rate than the economy and peer group. Moreover, in a world rapidly aging and increasingly short of workers, consider portfolios that tilt towards healthcare and technology/innovation leaders in robotics, automation and artificial intelligence.

THOUGHT OF THE WEEK

Can Financials Flash Their Own FANGs?

Nick Giorgi, CFA®, Director and Investment Strategist

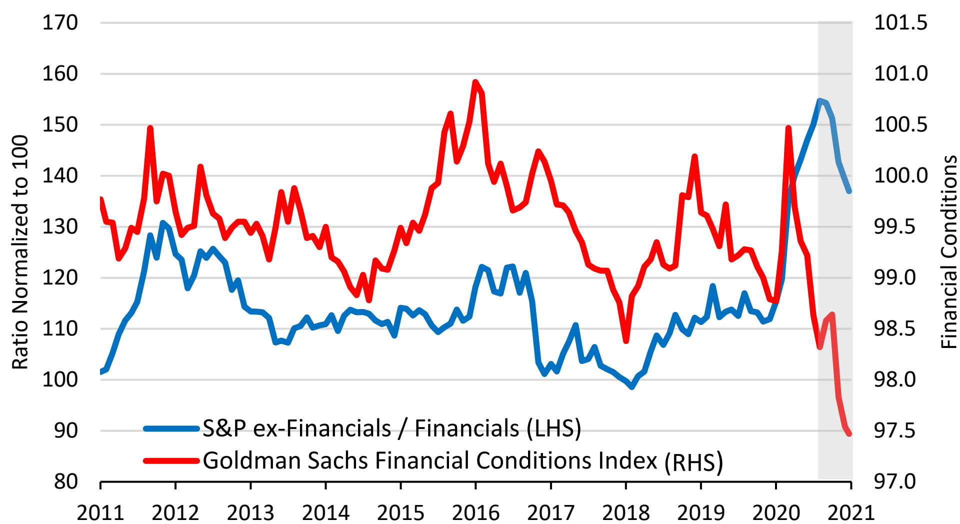
The pandemic had an acute effect on the financial sector. Revenue from lending suffered as rates declined, deal activity sputtered as the capital markets wobbled, and the uncertainty pertaining to insurance and loan losses spiked. Consequently, the S&P 500 Financials Index declined 43% from peak-to-trough in 1Q 2020, lagging the S&P 500 ex-Financials Index by 11% over the same period, according to Bloomberg. But a shift has begun with Financials demonstrating recent market leadership propelled by the tailwinds of an improving macro backdrop, which supports cyclical assets, and a record level of earnings estimate revisions.

Since October, financials have enjoyed a 21% gain, which outpaces the rest of the S&P 500 by nearly 8%. In fact, from October through the first three weeks of 2021, the sector had also advanced further than the New York Stock Exchange (NYSE) Facebook, Amazon, Netflix and Google (FANG+™) Index, in addition to other pockets of the market, which had enjoyed leadership earlier during the pandemic. This recent bout of outperformance has seldom been seen over the past decade, and the last comparable episode was from July 2016 through February 2018, when Financials led the rest of the S&P 500 by nearly 30%. This too corresponded with a period where inflation expectations and economic activity heated up.

Financials tend to perform well through reflationary periods, and we expect that accommodative financial conditions and significant policy insertion should continue to serve as tailwinds. Inflation expectations, as measured by the Fed's five-year forward breakeven rate, have breached 2%, and BofA Global Research projects real U.S GDP growth of 5% in 2021. The Treasury's curve has also steepened, providing banks with an opportunity to profit off of rate spreads. Not to mention cost-cutting and efficiency measures that can help improve margins. Analysts have taken note and the one-month earnings estimate revision ratio for global Financials is now 3.04, its highest level in history according to BofA Global Research.

We expect that there may be more room for Financials to run and we upgraded the sector to slightly overweight.

Exhibit 3: Financials Currently Showing Outperformance Amidst Exceptionally Easy Financial Conditions.



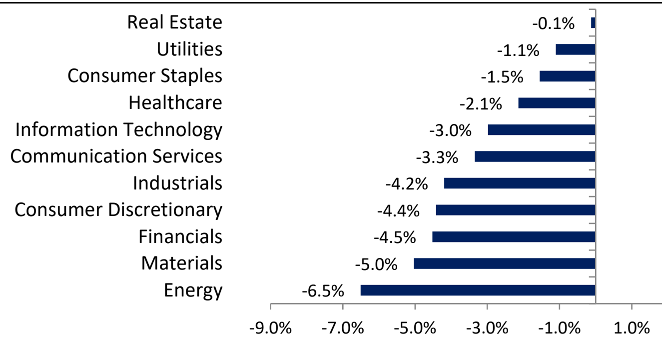
Sources: Chief Investment Office; Bloomberg. Data as of January 21, 2021. Past performance is no guarantee of future results.

MARKETS IN REVIEW

Equities

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
DJIA	29,982.62	-3.3	-2.0	-2.0
NASDAQ	13,070.69	-3.5	1.4	1.4
S&P 500	3,714.24	-3.3	-1.0	-1.0
S&P 400 Mid Cap	2,340.12	-5.0	1.5	1.5
Russell 2000	2,073.64	-4.4	5.0	5.0
MSCI World	2,661.69	-3.4	-1.0	-1.0
MSCI EAFE	2,124.05	-3.4	-1.1	-1.1
MSCI Emerging Markets	1,329.57	-4.5	3.1	3.1

S&P 500 Sector Returns



Fixed Income†

	Total Return in USD (%)			
	Current	WTD	MTD	YTD
Corporate & Government	1.16	0.01	-1.04	-1.04
Agencies	0.51	0.03	-0.16	-0.16
Municipals	0.95	0.39	0.64	0.64
U.S. Investment Grade Credit	1.17	0.03	-0.72	-0.72
International	1.86	-0.06	-1.28	-1.28
High Yield	4.31	-0.15	0.33	0.33

	Current	Prior Week End	Prior Month End	2019 Year End
90 Day Yield	0.05	0.07	0.06	0.06
2 Year Yield	0.11	0.12	0.12	0.12
10 Year Yield	1.07	1.09	0.91	0.91
30 Year Yield	1.83	1.85	1.64	1.64

Commodities & Currencies

	Total Return in USD (%)			
Commodities	Current	WTD	MTD	YTD
Bloomberg Commodity	171.01	1.2	2.6	2.6
WTI Crude $/Barrel††	52.20	-0.1	7.6	7.6
Gold Spot $/Ounce††	1847.65	-0.4	-2.7	-2.7

Currencies	Current	Prior Week End	Prior Month End	2019 Year End
EUR/USD	1.21	1.22	1.22	1.22
USD/JPY	104.68	103.78	103.25	103.25
USD/CNH	6.45	6.50	6.50	6.50

Sources: Bloomberg, Factset. Total Returns from the period of 1/25/2021 to 1/29/2021. †Bloomberg Barclays Indices. ††Spot price returns. All data as of the 1/29/2021 close.
Past performance is no guarantee of future results.

Asset Class Weightings (as of 1/5/2021)

	Under-Weight		Neutral	Over-Weight	
Global Equities				●	
U.S. Large Cap Growth				●	
U.S. Large Cap Value				●	
U.S. Small Cap Growth				●	
U.S. Small Cap Value				●	
International Developed			●		
Emerging Markets			●		
Global Fixed Income		●			
U.S. Governments		●			
U.S. Mortgages			●		
U.S. Corporates				●	
High Yield		●			
U.S. Investment Grade Tax Exempt			●		
U.S. High Yield Tax Exempt		●			
International Fixed Income	●				
Alternative Investments*					
Hedge Funds					
Private Equity					
Real Assets					
Cash					

*Many products that pursue Alternative Investment strategies, specifically Private Equity and Hedge Funds, are available only to qualified investors.
CIO asset class views are relative to the CIO Strategic Asset Allocation (SAA) of a multi-asset portfolio.

Economic & Market Forecasts (as of 1/29/2021)

	Q1 2020A	Q2 2020A	Q3 2020A	Q4 2020A	2020A	Q1 2021E	2021E
Real global GDP (% y/y annualized)	-	-	-	-	-3.4*	-	5.4
Real U.S. GDP (% q/q annualized)	-5.0	-31.4	33.1	4.0	-3.5	4.0	6.0
CPI inflation (% y/y)	1.5	0.6	1.4	1.2	1.3	1.8	2.6
Core CPI inflation (% y/y)	2.1	1.2	1.7	1.6	1.7	1.5	1.9
Unemployment rate (%)	3.8	13.0	8.8	6.7	8.1	6.5	5.7
Fed funds rate, end period (%)	0.08	0.08	0.09	0.09	0.09	0.13	0.13
10-year Treasury, end period (%)	0.67	0.66	0.68	0.91	0.91	1.10	1.75
S&P 500 end period	2585	3100	3363	3756	3756	-	3800
S&P earnings ($/share)	33	28	39	38*	138*	36	165
Euro/U.S. dollar, end period	1.10	1.12	1.17	1.22	1.22	1.20	1.25
U.S. dollar/Japanese yen, end period	108	108	105	103	103	103	100
Oil ($/barrel, avg. of period, WTI)**	46	29	40	44	40	46	47

The forecasts in the table above are the base line view from BofA Global Research. The Global Wealth & Investment Management (GWIM) Investment Strategy Committee (ISC) may make adjustments to this view over the course of the year and can express upside/downside to these forecasts. Historical data is sourced from Bloomberg, FactSet, and Haver Analytics.

Past performance is no guarantee of future results. There can be no assurance that the forecasts will be achieved. Economic or financial forecasts are inherently limited and should not be relied on as indicators of future investment performance.

A = Actual. E/* = Estimate. S&P 500 represents the year-end target for 2021. **West Texas Intermediate.
Sources: BofA Global Research; GWIM ISC as of January 29, 2021.

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Index Definitions

Securities indexes assume reinvestment of all distributions and interest payments. Indexes are unmanaged and do not take into account fees or expenses. It is not possible to invest directly in an index. Indexes are all based in dollars.

S&P 500 Index includes a representative sample of 500 leading companies in leading industries of the U.S. economy. Although the index focuses on the large-cap segment of the market, with approximately 75% coverage of U.S. equities, it is also an ideal proxy for the total market.

S&P CoreLogic National Home Price Index measures the change in the value of the U.S. residential housing market.

Board Options Exchange's (CBOE) Volatility Index (VIX) a measure of the stock market's expectation of volatility based on S&P 500 index options.

BofA Global Research Financial Stress Index calculates, cross market measure of risk, hedging demand and investor flows in the global **financial** system.

NYSE Facebook, Apple, Netflix, Google (FANG+™) Index provides exposure to a select group of highly-traded growth stocks of next generation technology and tech-enabled companies.

The Conference Board Consumer confidence index (CCI) is an economic **indicator** that measures **consumer confidence**, which is **defined** as the degree of optimism on the state of the U.S. economy that consumers are expressing through their activities of savings and spending.

Goldman Sachs Financial Conditions Index (FCI) is **defined** as a weighted average of riskless interest rates, the exchange rate, equity valuations, and credit spreads, with weights that correspond to the direct impact of each variable on GDP.

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All recommendations must be considered in the context of an individual investor's goals, time horizon, liquidity needs and risk tolerance. Not all recommendations will be in the best interest of all investors.

Asset allocation, diversification and rebalancing do not ensure a profit or protect against loss in declining markets.

Keep in mind that dollar cost averaging cannot guarantee a profit or prevent a loss. Since such an investment plan involves continual investment in securities regardless of fluctuating price levels, you should consider your willingness to continue purchasing during periods of high or low price levels.

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