



Basis Points – November 18, 2021

 westwoodgroup.com/weeklyblog/basis-points-november-18-2021/

Above the Fold

Biden Signs \$1.2 Trillion Spending Bill ... What Should America Expect?

The President signed the long-debated (and highly altered) bill into place on Monday. Though dramatically revised from its original form, the massive piece of legislation (dubbed the Infrastructure Investment and Jobs Act) has far-reaching influence across many American sectors, although its real impact and longer-term efficacy is still being hotly debated.

Proponents cheer the investments the spending package is expected to bring to roads, bridges, public transit, rail, electric vehicles, airports, America's electrical grid and more. While there are billions allocated to each respective category, there are still questions around how those funds will be best put to work. Those in opposition see the legislation as yet another way to let Washington

misdirect funds, overspend, increase restrictions (or unfairly ease restrictions) on certain sectors and consumers, and obviously boost taxation. To help pay for its cost, the bill does include provisions that end certain tax credits, such as the Employee Retention Tax Credit, while targeting fines and taxes in cryptocurrency space and even adjusts how pensions can be funded, to collect as much tax as possible.

And while some agencies, like Moody's Investors Service, say that the legislation will have little inflationary impact, it's hard to deny that added spending, liquidity and construction incentives will NOT add to already overstretched supply chains and inflated material costs.

Three Things

1. *Pulp Fiction Tests Legality of NFT Sales* – Production company Miramax filed a lawsuit against Pulp Fiction Director Quentin Tarantino. According to the Wall Street Journal, Tarantino had plans to auction off script pages and other movie-related memorabilia from the cult classic film as non-fungible tokens (NFTs). The lawsuit may bring to light the ambiguity that still surrounds these new digital assets and what rights different parties have in the ability to sell them. Miramax was formerly owned by Harvey Weinstein and his brother Bob.
2. *LA Stadium Goes Full-on Crypto* – As cryptocurrency exchanges continue to jockey for market share and popularity, Crypto.com just spent \$700 million to have the famous Staples Center in Los Angeles renamed “Crypto.com Arena.” Based in Singapore, Crypto.com is already embedded in a plethora of marketing partnerships in the states. The Staples renaming contract is one of the biggest in history and secures the new name for 20 years. Staples originally paid \$100 million back in 1999.
3. *Bond Investors' Inflation Worries May Be Tempered ... for Now* – Yields on the 10-year Treasury note appear to be stabilizing after topping out at their 2021 highs just last week. Since yields rise when bond prices fall, it seems investors may still see inflation pressures (and interest rate hikes) moderating over the longer term, which would support holding, not selling bonds like the 10-year. The action also suggests a less bullish economic outlook. The 10-year note reached a high of 1.75% in March and is currently trading around 1.64%.

Did You Know?

Touch-Tone Comes to Life

Most young people today have never made a call using a landline where there's a “dial tone” upon picking up the receiver. But it was 58 years ago today in 1963 that the first touch-tone, electronic, push-button phones were offered by Bell Telephone in and around the Pittsburgh, Pennsylvania, area. The ability to simply push a series of buttons and digitally be connected to another phone was revolutionary. The technology was so impressive, President John F. Kennedy started the countdown to the 1964 World's Fair by dialing “1964” on his Western Electric touch-tone phone.

The information contained herein represents the views of Westwood Wealth Management at a specific point in time and is based on information believed to be reliable. No representation or warranty is made concerning the accuracy or completeness of any data compiled herein. Any statements non-factual in nature constitute only current opinion, which is subject to change. Any statements concerning financial market trends are based on current market conditions, which will fluctuate. Past performance is not indicative of future results. All information provided herein is for informational purposes only and is not intended to be, and should not be interpreted as, an offer, solicitation, or recommendation to buy or sell or otherwise invest in any of the securities/sectors/countries that may be mentioned.