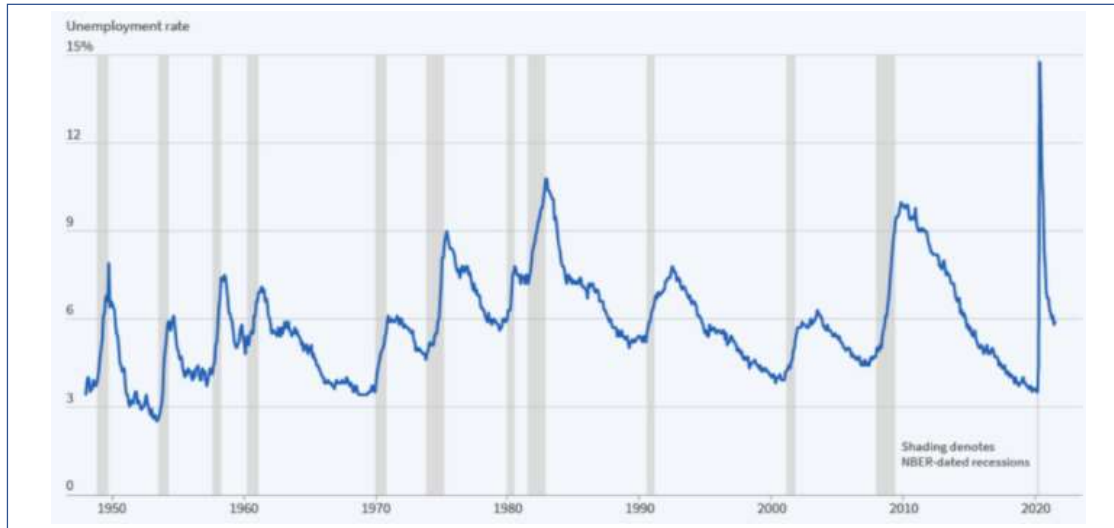


# Market Recap

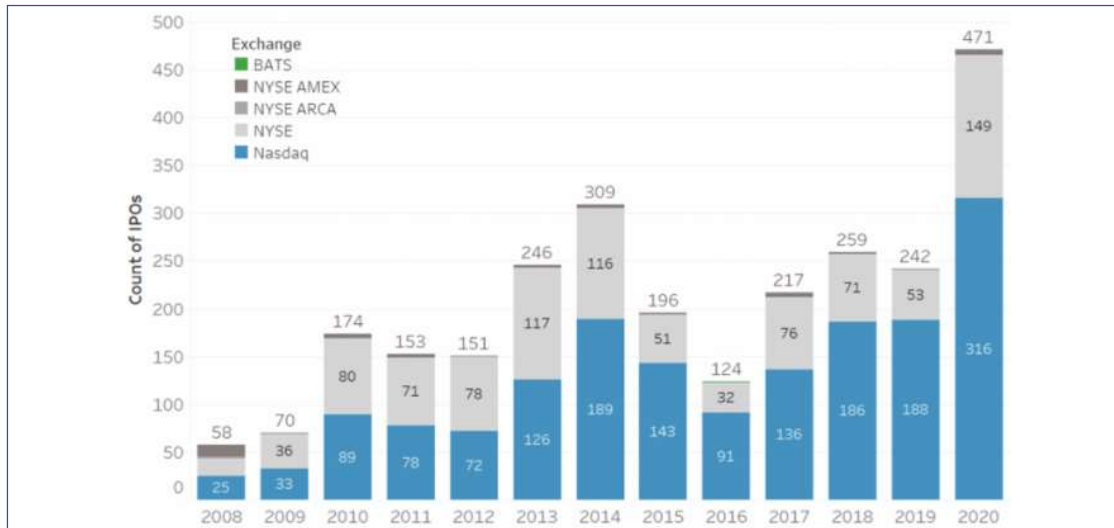
## Shortest Recession, Ever!



Source: National Bureau of Economic Research

- The pandemic-induced recession lasted just two months, making it the shortest recession in the post-WWII era. Typically, a recession is defined as two consecutive quarters of GDP contraction. Though the two-month contraction didn't meet the duration requirements of a recession, the unprecedented magnitude of the drawdown and broad-based economic disruption warranted the period to be classified as such.
- The COVID-19 recession abruptly ended the longest U.S. economic expansion on record (128 months). This event-driven recession caused GDP to plummet -31.4% by 2Q20, making it the sharpest economic drawdown on record.

## Awash in Liquidity



Source: Nasdaq

- 2021 has been a banner year so far for IPOs (initial public offerings), as a resilient bull market, low interest rates, and ample liquidity helped spur frenzied activity in the space. This trend reflects investor confidence that the U.S. economy remains poised to pull through the Covid-19 pandemic in a strong fiscal position.
- However, such a windfall does merit some caution. Valuations have become stretched for most asset classes and the S&P 500 is currently trading at 21x expected earnings (well above its 16x average over the past 15 years).

# Market Recap

## Measuring Markets - An Imperfect Science

	Emerging Markets	Developed Markets
Examples:	India / Brazil / China	USA / U.K. / Japan
Financial Markets:	More Prone to Disruption	Mature
Income Per Capita:	Lower	Higher
Political Environment:	Less Stable	More Stable
Rate Of Economic Growth:	Higher / Less Predictable	Lower / More Predictable

Source: Harbour Capital Advisors

- The MSCI is well known for its global benchmark indices, such as the MSCI Emerging Market Index and MSCI EAFE Index (a developed market index). The organization classifies countries as either developed, emerging, frontier or a standalone market, using the following criteria: economic development, size and liquidity requirements, and market accessibility.
- Although many investors regard South Korea as a developed market, MSCI classifies it as an emerging market – largely due to its local currencies only being traded during Korean business hours. This detail notwithstanding, South Koreans enjoy some of the fastest mobile internet connections on Earth, even faster than the U.S.!

## How Long it Takes to Hack a Password

Number of Characters	Numbers Only	Lowercase Letters	Upper and Lowercase Letters	Numbers, Upper and Lowercase Letters	Numbers, Upper and Lowercase Letters, Symbols
4	Instantly	Instantly	Instantly	Instantly	Instantly
5	Instantly	Instantly	Instantly	Instantly	Instantly
6	Instantly	Instantly	Instantly	1 sec	5 secs
7	Instantly	Instantly	25 secs	1 min	6 mins
8	Instantly	5 secs	22 mins	1 hour	8 hours
9	Instantly	2 mins	19 hours	3 days	3 weeks
10	Instantly	58 mins	1 month	7 months	5 years
11	2 secs	1 day	5 years	41 years	400 years
12	25 secs	3 weeks	300 years	2k years	34k years
13	4 mins	1 year	16k years	100k years	2m years
14	41 mins	51 years	800k years	9m years	200m years
15	6 hours	1k years	43m years	600m years	15 bn years
16	2 days	34k years	2bn years	37bn years	1tn years
17	4 weeks	800k years	100bn years	2tn years	93tn years
18	9 months	23m years	6tn years	100 tn years	7qd years

Source: Hive Systems

- There are no full-proof solutions to prevent cybersecurity, but a little more work can go a long way in protecting sensitive data online. Though it may come as little surprise, a recent study confirms that password length and complexity make a big difference in determining how hackable a given password is.
- Other practical measures that may help to boost your digital defenses include periodically changing passwords and enabling multi-factor authentication.

**Contact:** If you have any questions or comments, please do not hesitate to contact us at 703.992.6164. For more information about Harbour Capital Advisors, please visit our website at [www.harbourcapitaladvisors.com](http://www.harbourcapitaladvisors.com).

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