



**K E N D R I C K**  
WEALTH MANAGEMENT

FINANCIAL PLANNING. PERSONALIZED.  
WEALTH MANAGEMENT. CUSTOMIZED.

## THOUGHTS OF THE DAY

Eugenio J. Alemán, Chief Economist



**WEEKLY**  
**ECONOMICS**

### **Introducing Raymond James' New Chief Economist - Eugenio J. Alemán, PhD**

Every new job is a new beginning and a new opportunity, and as I join Raymond James as its new Chief Economist I do so with excitement and with the sense of an immense responsibility to contribute to this great firm. In that vein, I take this opportunity to share some introductory thoughts that could come in handy in today's market environment.

While studying economics a professor explained to us the basic difference in the behavior of different economic variables. He said "some economic variables take the elevator while others take the stairs." At the time, I thought this comment was strange but then he explained what he meant. And I think this explanation and lesson comes in handy as I introduce myself as the new Chief Economist at Raymond James at a time when the markets and the economy seem to be increasingly at odds.

At the time, my professor was referring to the difference in behavior between the exchange rate of a country, e.g., for the US, dollars per euro, or dollars per yen, etc., and the rate of inflation.

The exchange rate, he said, takes the elevator while the rate of inflation takes the stairs. That is, exchange rates are determined/quoted daily on a structured supply and demand market while economic data takes time to come about, e.g., CPI inflation comes in once a month.

A similar thing happens between the stock market, and the US economy. The stock market takes the elevator while the economy takes the stairs. This is one of the reasons why when we have new information, markets either overshoot or undershoot in the short term and then they come to their senses as the dust settles over time.

For this reason, the economy is a bit more stable than some of these daily-quoted/determined markets. And many of the economic indicators are doing very well and are still pointing to an economy that has continued to strengthen. The latest sign of this strength was the nonfarm payrolls release on Friday, May 6, 2022.

Our CIO, Larry Adam, has said this very clearly in the past: economic indicators are yesterday's story while markets are forward looking. That is, economic indicators are water under the bridge and markets are normally trying to do their best to pinpoint the forward direction of those economic indicators. Sometimes they correctly anticipate what is happening in the economy, sometimes they do not.

My job as Raymond James' Chief Economist will be to shed some light on the direction of the US and global economy so our advisors and clients can make informed decisions based on sound economic analysis.

I look forward to opening a communications channel that will help inform your decisions.

Yours truly,

Eugenio J. Alemán, PhD  
*Chief Economist*

---

DISCLOSURES

Economic and market conditions are subject to change.



**K E N D R I C K**

W E A L T H M A N A G E M E N T

36600 North Pima Road, Suite 104, P.O. Box 797 Carefree, AZ 85377  
480.887.8888 • [kendrickwm.com](http://kendrickwm.com)

Please note, changes in tax laws and regulations may occur at any time and could substantially impact your situation. You should discuss any tax or legal matters with the appropriate professional. Securities offered through Raymond James Financial Services, Inc., member FINRA / SIPC. Investment advisory services offered through Raymond James Financial Services Advisors, Inc. Kendrick Wealth Management is not a registered broker/dealer and is independent of Raymond James Financial Services, Inc.