



INCISIVE INVESTOR

Randall Fielder, President & CEO

1400 Broadfield Blvd. Suite 200

Houston, TX 77084

713-955-3555

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WEEK IN REVIEW STOCKS CLOSE LOWER AMID WEAK CONSUMER SENTIMENT

Stock Market News

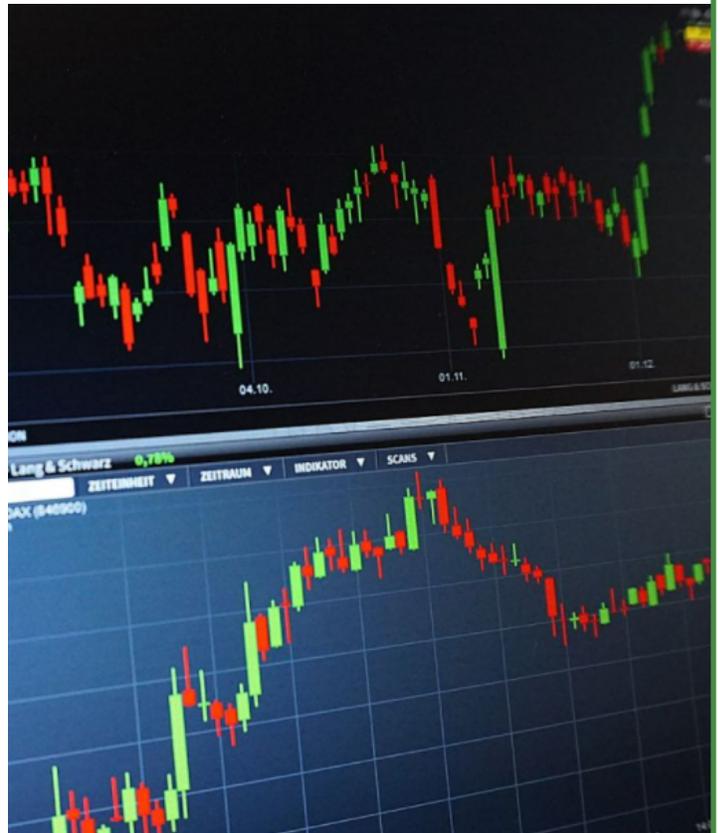
The major U.S. stock indexes closed lower Friday, slumping after consumer sentiment remained close to a roughly 10-year low last seen in August.

During this session, investors were also dealing with volatility due to simultaneous options expirations, known as quadruple witching on Wall Street.

The Dow Jones Industrial Average DJIA fell 166 points, or 0.5%, to about 34,585. The S&P 500 SPX slid 41 points, or 0.9%, to about 4,433, with the index slipping below its 50-day moving average of about 4,436. The Nasdaq Composite Index COMP declined 138 points, or 0.9%, to 15,044.

According to Dow Jones Market Data, the Dow lost 0.1% in its third straight week of losses, the longest such streak since the

four weeks ending September 25, 2020. FactSet reports the S&P 500 is down 0.6% after two straight weeks of losses, while the Nasdaq Composite is down 0.5%, also reporting two straight weeks of losses.



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US August retail sales exceed expectations

Retail sales data for August surprised economists by showing an increase of 0.7%, compared to forecasts of a sharp decline. Sales rose a robust 1.8% excluding auto sales, which have been slowed by a shortage of semiconductors. This data, as well as those of the Federal Reserve Banks of New York and Philadelphia, help allay fears that the spread of Coronavirus Delta is harming the economy. Consumer prices leveled off in August as the Consumer Price Index rose by 5.3% year-over-year, slightly less than the 5.4% it rose in July. In August, the core CPI, which excludes food and energy, rose 4.0%, down from 4.3%, a 30-year high. While the rate of inflation has slowed and there are expectations that much of the recent advance was transitory, the Federal Reserve Bank of New York recently surveyed consumers looking ahead and finding that inflation is expected to rise 5.2% next year.

House Democrats unveil tax plans

The Ways and Means Committee members detailed their plan to raise revenue for some of the Democratic-backed social and climate spending plans that are working

their way through Congress. This package would raise corporate income tax to 26.5% from 21%, levy a 3% surtax on income over \$5 million, and raise the capital gains tax to at least 25% from 20%, and as high as 31.8% for certain high earners. According to a study by the Joint Tax Committee, the Democratic proposal would increase taxes on households earning more than \$1 million by 10.6%. There are strong indications that the tax provisions arising from the House will face tough sledding in the Senate, as two prominent Democratic moderates, Kyrsten Sinema (D-AZ) and Joe Manchin (D-WV), oppose substantial tax increases. In a meeting with the senators this week, President Joe Biden discussed the proposed measures, but reports indicate that the senators remain unconvinced about the need for a \$3.5 trillion package.

HEADLINERS

Considering the phase-out of dirtier energy sources, natural gas prices have reached their highest point in more than a decade in the US. Price jumps in Europe were even more dramatic as mild winds reduced output from wind turbines amid lower-than-normal gas inventories.

A recent report by scientists at the US Food and Drug Administration suggests that COVID-19 vaccines available in the US



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protect against serious diseases and death without booster shots, minimizing the need for further vaccinations. As early as the end of October, reports circulated that the Pfizer vaccine may be approved for children ages 5 to 11.

US, UK, and Australia have signed a new security agreement aimed at countering Chinese influence in the region, providing Australia with nuclear submarine technology. Australia will abandon a deal it already has with France to acquire submarines because of this agreement,

which has drawn the ire of the French government.

Gary Gensler, chairman of the Securities and Exchange Commission, called for greater efficiency and transparency in the market for the US corporate, municipal, and mortgage bonds. Additionally, Gensler warned that the cryptocurrency market is rife with fraud, scams, and abuse.

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MAJOR STOCK MOVES

Shares of Invesco IVZ rose 5.5% after The Wall Street Journal, citing sources, reported that the investment management group is in merger talks with State Street Corp.'s STT asset-management unit. State Street shares were off 2.6%.

Archer Aviation Inc.'s stock ACHR fell 4.4% on the NYSE on Friday, after the completion of the all-electric vertical takeoff and landing (eVTOL) aircraft maker's merger with special-purpose acquisition company (SPAC) Atlas Crest Investment Corp.

Shares of Lincoln Financial Group LNC were in focus Friday, after the insurer announced an agreement with Resolution Life

subsidiary Security Life of Denver Insurance Co., to reinsure about \$9.4 billion of executive benefit and universal life reserves. Its stock was up 1.4%.

Shares of Diamondback Energy Inc. FANG was drawing attention in Friday trade after the oil-and-gas company announced a new \$2 billion stock repurchase program. Its stock rose 3.2%.

Shares of Take-Two Interactive Software Inc. TTWO were down 0.2% after BMO Capital Markets analyst Gerrick Johnson downgraded the stock to market perform from outperform.

Shares of cybersecurity company IronNet Inc. IRNT tumbled almost 27% but were still up about 40% on the week.

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EXPLORING THE FEDERAL STUDENT GRANT PROGRAM

In [this article](#), explore the benefits of the Federal Student Grant Program.

Randall Fielder
(713-955-3555, Randall@park10financial.com)