



A strong, yet below expectations, job report sent the markets higher last week with the S&P 500 adding 0.61% to its YTD rise of 12.61%¹. Unemployment fell to 5.8% in May with the addition of 559,000 jobs, under the 650,000 that was predicted². Economists are watching June as a tipping point to getting the economy back to normal as some states put an end to additional unemployment benefits, businesses begin to shed pandemic restrictions, and sports stadiums are allowed to admit more spectators³. Stores are

beginning to show signs of normalcy as many have dropped mask restrictions for the fully vaccinated to re-opening food courts and handing out samples⁴. Hopefully, the trend will continue and Covid infections will continue to decrease.

Welcome to June. As the temps rise and schools let out for the summer, it's hard to believe we've reached this point in 2021 so fast. Golf outings are back on the calendar (guess I have to dust off the clubs) and thoughts of travel are beginning to creep into minds. Speaking of travel, I was heartbroken last week seeing news my favorite cottage on Mackinac Island was engulfed in flames. Brigadoon Cottage, across from the harbor, caught fire that destroyed much of the 3rd floor⁵. However, there is a heartwarming story that goes along with the fire. A wedding taking place next door at the Yacht Club was in jeopardy, but the Island came to the couple's rescue. Mission Point resort relocated the reception and other businesses stepped up to see that the bride and groom had a positive memory of their wedding day⁶. Just one more reason to treasure Michigan's Island destination!

---Chuck

This Week's Inspiration/Activity:

"The measure of success is not whether you have a tough problem to deal with, but whether it is the same problem you had last year."

Former Secretary of State, James Foster Dulles

Your activity for this week is to consider if you are still troubled a problem you had last year and take steps to resolve the issue and move on.

This Week in History –

June 6, 1971 -- The lights and cameras go dark as the Ed Sullivan show ends its 23-year run. The show brought us entertainers of all types, including The Beatles, Elvis, Broadway stars, and Topo Gigio.⁷

¹ see update below

² <https://www.cnn.com/2021/06/04/economy/may-jobs-report/index.html>

³ <https://www.reuters.com/world/us/lapsing-job-benefits-full-stadiums-june-could-be-us-recoverys-pivot-2021-06-07/>

⁴ <https://www.cnn.com/2021/06/05/business/shopping-pandemic-back-to-normal/index.html>

⁵ <https://www.freep.com/story/news/2021/05/31/mackinac-island-brigadoon-cottage-fire/5277763001/>

⁶ <https://www.facebook.com/groups/278439878924155/permalink/3519568771477900/>

⁷ <https://www.history.com/this-day-in-history/the-ed-sullivan-show-airs-for-the-very-last-time>

In this week's recap: Positive labor numbers lead stocks to a modest gain.

Weekly Economic Update

Presented by Charles D. Vercellone, ChFC, June 7, 2021

THE WEEK ON WALL STREET

A strong, but not too strong, employment report sparked a rally on the final day of trading, propelling stocks to a modest gain for the week.

The Dow Jones Industrial Average climbed by 0.66%, while the Standard & Poor's 500 added 0.61%. The Nasdaq Composite index increased by 0.48%. The MSCI EAFE index, which tracks developed overseas stock markets, edged up 0.10%.^{1,2,3}

ROTATION CONTINUES

Markets have traded sideways since mid-April, though beneath the surface has been ongoing sector rotation. Last week continued that trend.

While stocks ended on a strong note, the performance of industry sectors varied widely. Energy, real estate, utilities, and a number of reopening stocks performed well, while consumer discretionary, communication services, healthcare, and technology stocks lagged.

The Fed announced on Wednesday that it will soon begin selling the corporate bonds and exchange-traded funds it had accumulated during the pandemic, an action that some observers interpreted as a harbinger of an approaching change in its easy-money policies. But the below-consensus May job figure on Friday buoyed investors who believe the Fed will not change course soon.^{4,5}

LABOR MARKET RECOVERY

It was a good week for the labor market. Initial jobless claims fell to pre-pandemic levels (385,000), ADP (Automated Data Processing) reported a big jump in private-sector hiring (978,000), and the monthly employment report saw nonfarm payrolls increase by 559,000 in May – a healthy increase even though it fell short of some expectations. The unemployment rate declined to 5.8% from April's 6.1% level.^{5,6,7}

Friday's report showed that total employment numbers still remain about seven million jobs below their pre-pandemic levels. It also showed an acceleration in wage gains, which rose 2% year-over-year following the 0.4% gain in April.⁸

TIP OF THE WEEK



An insurance-needs analysis is a good idea when you reach your forties. You may learn more about the role of life insurance in your overall financial strategy.

THE WEEK AHEAD: KEY ECONOMIC DATA

Tuesday: Job Openings and Labor Turnover Survey (JOLTS).

Thursday: Consumer Price Index (CPI). Jobless Claims.

Friday: Consumer Sentiment.

Source: Econoday, June 4, 2021

The Econoday economic calendar lists upcoming U.S. economic data releases (including key economic indicators), Federal Reserve policy meetings, and speaking engagements of Federal Reserve officials. The content is developed from sources believed to be providing accurate information. The forecasts or forward-looking statements are based on assumptions and may not materialize. The forecasts also are subject to revision.

THE WEEK AHEAD: COMPANIES REPORTING EARNINGS

Monday: Marvell Technology, Inc. (MRVL), Coupa Software (COUP).

Wednesday: Campbell Soup Company (CPB), Brown-Forman Corporation (BF.B).

Thursday: Chewy (CHWY).

Source: Zacks, June 4, 2021

Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities. Investing involves risks, and investment decisions should be based on your own goals, time horizon, and tolerance for risk. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost. Companies may reschedule when they report earnings without notice.

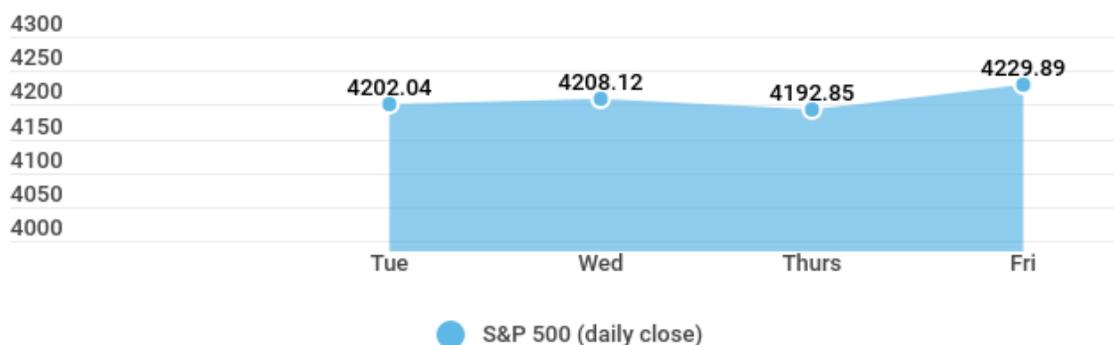
QUOTE OF THE WEEK



“When the whole world is silent, even one voice becomes powerful.”

MALAMA YOUSAFZAI

Market Index	Close	Week	Y-T-D
DJIA	34,756.39	+0.66%	+13.56%
NASDAQ	13,814.49	+0.48%	+7.19%
MSCI-EAFE	2,343.63	+0.10%	+9.13%
S&P 500	4,229.89	+0.61%	+12.61%



	Treasury	Close	Week	Y-T-D
	10-Year Note	1.56%	-0.02%	+0.63%

Sources: The Wall Street Journal, June 4, 2021; Treasury.gov, June 4, 2021

Weekly performance for the Dow Jones Industrial Average, Standard & Poor's 500 Index, and NASDAQ Composite Index is measured from the close of trading on Friday, May 28, to Friday, June 4, close. Weekly performance for the MSCI-EAFE is measured from Friday, May 28, open to Thursday, June 3, close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

THE WEEKLY RIDDLE



I have cities, but no houses. I have mountains, but no trees. I have water, but no fish. What am I?

LAST WEEK'S RIDDLE: What is placed on a table and cut, but never eaten?

ANSWER: A deck of cards.

Know someone who could use information like this?

Please feel free to send us their contact information via phone or email. (Don't worry – we'll request their permission before adding them to our mailing list.)

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The forecasts or forward-looking statements are based on assumptions, may not materialize, and are subject to revision without notice.

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The Dow Jones Industrial Average is an unmanaged index that is generally considered representative of large-capitalization companies on the U.S. stock market. Nasdaq Composite is an index of the common stocks and similar securities listed on the NASDAQ stock market and is considered a broad indicator of the performance of technology and growth companies. The MSCI EAFE Index was created by Morgan Stanley Capital International (MSCI) and serves as a benchmark of the performance of major international equity markets, as represented by 21 major MSCI indexes from Europe, Australia, and Southeast Asia. The S&P 500 Composite Index is an unmanaged group of securities that are considered to be representative of the stock market in general.

U.S. Treasury Notes are guaranteed by the federal government as to the timely payment of principal and interest. However, if you sell a Treasury Note prior to maturity, it may be worth more or less than the original price paid. Fixed income investments are subject to various risks including changes in interest rates, credit quality, inflation risk, market valuations, prepayments, corporate events, tax ramifications and other factors.

International investments carry additional risks, which include differences in financial reporting standards, currency exchange rates, political risks unique to a specific country, foreign taxes and regulations, and the potential for illiquid markets. These factors may result in greater share price volatility.

Please consult your financial professional for additional information.

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CITATIONS:

1. The Wall Street Journal, June 4, 2021
2. The Wall Street Journal, June 4, 2021
3. The Wall Street Journal, June 4, 2021
4. The Wall Street Journal, June 2, 2021
5. CNBC, June 3, 2021
6. CNBC, June 3, 2021
7. CNBC, June 4, 2021
8. CNBC, June 4, 2021

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