

August 3, 2021



## Weekly Commentary

This is a vintage advertisement for Spalding's Official National League Baseball, dated 1911. The ad is set against a light green background with a decorative border. At the top, the year '1911' is printed in a bold, black font. Below it, the word 'SPALDING'S' is written in a large, ornate, blue-outlined script font. In the center, a baseball is depicted with 'SPALDING No. 1' and 'Official National League' printed on it. Below the ball is a red and white box for the baseball. The box has 'SPALDING OFFICIAL NATIONAL LEAGUE No. 1' on the top flap. The front panel of the box contains the text: 'BEWARE OF COUNTERFEITS The Only Genuine Official League Ball as adopted and used by The National League of Professional Base Ball Clubs since 1878, has his signature on each label' followed by a signature 'A. G. Spalding'. A circular logo on the side of the box reads 'SPALDING'S TRADE MARK MADE IN U.S.A. REGISTERED'. The bottom of the box features the text: 'THE OFFICIAL BALL OF THE GAME SINCE ITS ADOPTION BY THE NATIONAL LEAGUE IN 1878'. Below the box, the words 'OFFICIAL LEAGUE BALL' are printed in a large, bold, blue-outlined font. At the very bottom, a white box with a black border contains the text: 'Used exclusively by National League, majority of Minor Leagues, and by all Intercollegiate and other Associations for the past thirty-four years. Price, \$1.25 each; \$15.00 per dozen. A. G. SPALDING &amp; BROS.'

## AMERICA'S SPORT

The myth: baseball is a strictly American sport, invented by a Civil War hero, General Abner Doubleday. Where did that story come from? From a 1908 report sponsored by sporting goods millionaire A.G. Spalding. Determined to demonstrate that baseball was impeccably American, Spalding handpicked a committee of prominent people to examine the origin of the game. Then he spoon-fed them some pretty flimsy evidence suggesting that Doubleday not only designed but also named the sport back in 1839. The final report used that evidence to declare Doubleday the father of baseball.

But the report ignored a well-known British sport, rounders, which is also called by another name: baseball. Dating back to the mid-1700s, the game is played on a diamond-shaped field, and has a "feeder," who pitches the ball to a "striker," who is out if he misses three pitches. Sound familiar?

Abner Doubleday may never have even watched a baseball game. Still, he got the credit, because Spalding thought America needed its own game. Of course, it also made for good PR to help hype the sales of baseball equipment.

The reality: the origins of baseball are about as American as tea and crumpets.

*Doubleday fired the first shot of the war for the Union, and later commanded troops at Gettysburg. But he was fourteen years in the grave before there was even a faint suggestion that he created baseball. The evidence: a single letter written by a man who claimed to be Doubleday's childhood friend in Cooperstown, New York.*

*Spalding's report had credibility because he was one of the most recognizable men in American sports. A star pitcher for Boston and Chicago who won forty-seven games one season, he later became manager and eventually owner of the Chicago team before going into the sporting goods business.*

The Greatest Stories Never Told by Rick Beyer

## Weekly Market Commentary August 2, 2021

### The Markets

The Chinese dragon cast a shadow over free trade and foreign investment last week.

For decades, investors have recognized the investment potential of China. Since the country opened to foreign trade and investment in 1979, its economy has grown rapidly. Through 2018, its gross domestic product (GDP), which is a measure of economic growth, increased by 9.5% a year, on average, according to the United States Congressional Research Service.

The country's gradual economic development lifted millions out of poverty. In 2020, about 20 percent of the world's middle class lived in China. China's middle class has an appetite for goods and services that rivals that of America's middle class, creating demand for a wealth of goods and services, reported the Brookings Institute.

In recent months, investors have been unsettled as Chinese authorities aggressively implemented new regulations for its online education industry and its technology companies. Austin Carr and Coco Liu of *Bloomberg* reported:

"President Xi's government has outlined sectors it wants to prioritize, including semiconductors and artificial intelligence. Xi has called the data its tech industry collects 'an essential and strategic resource' and has been pushing to tap into it for years."

In early July, the Cyberspace Administration of China launched an investigation of the nation's largest ride-hailing service company for monopolistic behavior. A month before, the company had raised \$4.4 billion when it listed shares on the New York Stock Exchange. Jing Yang of *The Wall Street Journal* recently reported the company is considering delisting in an effort to placate Chinese authorities and compensate investors for losses.

Last week, "The selloff in Chinese stocks went from an orderly pullback to a full-blown panic...after China told its for-profit education companies that they would have to become nonprofits," reported Ben Levisohn of *Barron's*.

The *Securities and Exchange Commission* responded by announcing that it would stop processing registrations of U.S. IPOs and other sales of securities by Chinese companies until specific requirements were met.

The Shanghai Composite Index finished the week lower, as did major U.S. stock indices, reported *Barron's*. The yield on 10-year U.S. Treasuries closed lower, too.

Data as of 7/30/21	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 (Domestic Stocks)	-0.4%	17.0%	35.4%	16.2%	15.2%	13.1%
Dow Jones Global ex-U.S.	-0.2	6.3	25.4	6.4	7.4	3.3
10-year Treasury Note (Yield Only)	1.2	NA	0.5	3.0	1.5	2.7
Gold (per ounce)	1.5	-3.3	-6.7	14.3	6.2	1.2
Bloomberg Commodity Index	0.6	23.4	41.1	4.1	3.0	-5.2

S&P 500, Dow Jones Global ex-US, Gold, Bloomberg Commodity Index returns exclude reinvested dividends (gold does not pay a dividend) and the three-, five-, and 10-year returns are annualized; and the 10-year Treasury Note is simply the yield at the close of the day on each of the historical time periods.

Sources: Yahoo! Finance; MarketWatch; djindexes.com; Federal Reserve Bank of St. Louis; London Bullion Market Association.

Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly. N/A means not applicable.

**READY TO COMPETE?** Watching the Olympics sparks the competitive spirit in many people. If you're looking for a way to compete, try taking this financial literacy quiz. If you like, you can create your own event by having family and friends test their knowledge, too.

- Which of the following does Experian say is the most important to your credit score?
  - Payment history
  - Amount owed
  - Credit history length
  - New credit applications
- Which has the most risk, according to *Investopedia*?
  - Owning a diversified portfolio of small, large and mid-sized company stocks
  - Owning the stock of a large company
  - Owning a portfolio of technology company stocks
  - Owning a portfolio of small company stocks
- If you put \$100 in an account that earned 5 percent interest each year, how much would the account be worth after 10 years?
  - About \$105
  - About \$150
  - About \$160
  - About \$180
- When shopping for chicken noodle soup, which of the following is the best value?

- a. The store's brand
- b. The can with the highest discount
- c. The can with the lowest price per ounce
- d. The can with the lowest price in the size you need

You'll find the answers below. When you have any financial or money questions, please get in touch.

## Weekly Focus – Think About It

“An investment in knowledge pays the best interest.”

—Benjamin Franklin, American statesman

(1) A; (2) B; (3) C; (4) C

Best Regards,



**Brian Everett**  
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P.S. Please feel free to forward this commentary to family, friends, or colleagues. If you would like us to add them to the list, please reply to this e-mail with their e-mail address and we will ask for their permission to be added.

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\* Government bonds and Treasury Bills are guaranteed by the U.S. government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value. However, the value of fund shares is not guaranteed and will fluctuate.

\* Corporate bonds are considered higher risk than government bonds but normally offer a higher yield and are subject to market, interest rate and credit risk as well as additional risks based on the quality of issuer coupon rate, price, yield, maturity, and redemption features.

\* The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. You cannot invest directly in this index.

\* All indexes referenced are unmanaged. The volatility of indexes could be materially different from that of a client's portfolio. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment. You cannot invest directly in an index.

\* The Dow Jones Global ex-U.S. Index covers approximately 95% of the market capitalization of the 45 developed and emerging countries included in the Index.

\* The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.

\* Gold represents the 3:00 p.m. (London time) gold price as reported by the London Bullion Market Association and is expressed in U.S. Dollars per fine troy ounce. The source for gold data is Federal Reserve Bank of St. Louis (FRED), <https://fred.stlouisfed.org/series/GOLDPMGBD228NLBM>.

\* The Bloomberg Commodity Index is designed to be a highly liquid and diversified benchmark for the commodity futures market. The Index is composed of futures contracts on 19 physical commodities and was launched on July 14, 1998.

\* The DJ Equity All REIT Total Return Index measures the total return performance of the equity subcategory of the Real Estate Investment Trust (REIT) industry as calculated by Dow Jones.

\* The Dow Jones Industrial Average (DJIA), commonly known as "The Dow," is an index representing 30 stock of companies maintained and reviewed by the editors of The Wall Street Journal.

\* The NASDAQ Composite is an unmanaged index of securities traded on the NASDAQ system.

\* International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors. These risks are often heightened for investments in emerging markets.

\* Yahoo! Finance is the source for any reference to the performance of an index between two specific periods.

\* The risk of loss in trading commodities and futures can be substantial. You should therefore carefully consider whether such trading is suitable for you in light of your financial condition. The high degree of leverage is often obtainable in commodity trading and can work against you as well as for you. The use of leverage can lead to large losses as well as gains.

\* Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance.

\* Economic forecasts set forth may not develop as predicted and there can be no guarantee that strategies promoted will be successful.

\* Past performance does not guarantee future results. Investing involves risk, including loss of principal.

\* The foregoing information has been obtained from sources considered to be reliable, but we do not guarantee it is accurate or complete.

\* There is no guarantee a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.

\* Asset allocation does not ensure a profit or protect against a loss.

\* Consult your financial professional before making any investment decision.

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