



For the Week of August 24, 2020

THE MARKETS

Stocks rose Friday, and the NASDAQ and the S&P achieved record closing highs as several pieces of positive news encouraged investors. New reports showed better than expected corporate earnings reports, a surge in home sales and accelerated manufacturing activity. For the week, the Dow rose 0.09 percent to close at 27,930.33. The S&P gained 0.77 percent to finish at 3,397.16, and the NASDAQ climbed 2.69 percent to end the week at 11,311.80.

Returns Through 8/21/20	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	0.09	-0.59	9.17	11.36	13.89
NASDAQ Composite (TR)	2.69	26.85	42.44	23.39	20.50
S&P 500 (TR)	0.77	6.47	18.44	14.06	13.79
Barclays US Agg Bond (TR)	0.27	7.14	7.24	5.31	4.25
MSCI EAFE (TR)	-0.99	-6.17	4.84	2.03	4.15

Source: Morningstar.com. *Past performance is no guarantee of future results. Indexes are unmanaged and cannot be invested into directly. Three- and five-year returns are annualized. The Dow Jones Industrials, MSCI EAFE, Barclays US Agg Bond, NASDAQ and S&P, excluding "1 Week" returns, are based on total return, which is a reflection of return to an investor by reinvesting dividends after the deduction of withholding tax. (TR) indicates total return. MSCI EAFE returns stated in U.S. dollars.

There's Bad, Then There's Awful — The U.S. economy fell 10 percent in size between March 31 and June 30. The United Kingdom's economy fell 20.4 percent in size between March 31 and June 30 (source: Office for National Statistics, BTN Research).

Need a Lot of Money — The U.S. government forecasted on Monday, Aug. 3, that it will borrow \$4.5 trillion during fiscal year 2020, i.e., the 12 months ending Sept. 30. That total exceeds the \$3.8 trillion borrowed over the previous four fiscal years of 2016-2019 (source: Treasury Department, BTN Research).

Being Cautious — The personal savings rate in the United States was a record 33.5 percent in April as Americans reacted to the COVID-19 pandemic outbreak. The personal savings rate in the United States was 7.5 percent in April 2019. The personal savings rate is defined as savings (i.e., after-tax income less consumption spending) divided by after-tax income (source: Department of Commerce, BTN Research).



WEEKLY FOCUS – Keeping Your Eyes on the Goal

As the struggle to control COVID-19 drags on, many of us experience periodic fatigue from distancing, negative headlines and future uncertainties. Staying disciplined when weary is difficult but crucial to short-term financial wellness and long-term financial success. So, follow these guidelines to maintain your focus:

Don't fixate on market swings. If you have a solid strategy that addresses market volatility, do the right things regardless of how the market acts. That's not to say you shouldn't regularly reevaluate your risk levels or consider rebalancing your portfolio, but don't make decisions based on emotion. And don't try to time the market; few who do succeed.

Invest prudently. The natural human tendency is to buy lots of stock when prices are rising and to stop buying altogether when prices are on the down swing. But some stock prices may provide a good value if the market drops, and you'll be able to buy more for the same amount of money. Just remember, it's generally best not to purchase equities unless you can keep them a minimum of five years.

Thinking about purchasing a different home in a year or two? This may be a good time for some improvement projects on your current home. Most realtors agree you'll likely recoup these investments: a new garage or front door, a minor kitchen remodel, finishing a basement or updating a bathroom.

Increase your savings. When we're stressed, it's natural to buy something fun. But try to keep splurges small and make the most of unique opportunities to save in the current situation. If you're working from home, you're likely spending less on gas and clothes. In your free time, you're probably spending less on dining out, movies, concerts and travel. Try to see how much more you can put in savings because of reduced spending.

Use your time wisely. Improve your culinary skills and reap rewards for years to come as you save on prepared food costs, eat healthier and entertain economically. Earn a professional certification or take a class to improve your desirability as an employee. Or, develop skills and a network to start a business or side gig.

Even difficult times can present real opportunities. If you're looking for or considering ways to thrive in the midst of the pandemic's economic fallout, give our office a call.

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* The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. The Dow Jones Industrial Average is a price-weighted index of 30 actively traded blue-chip stocks. NASDAQ Composite Index is an unmanaged, market-weighted index of all over-the-counter common stocks traded on the National Association of Securities Dealers Automated Quotation System. The Morgan Stanley Capital International Europe, Australia and Far East Index (MSCI EAFE Index) is a widely recognized benchmark of non-U.S. stock markets. It is an unmanaged index composed of a sample of companies representative of the market structure of 20 European and Pacific Basin countries and includes reinvestment of all dividends. Barclays Capital Aggregate Bond Index is an unmanaged index comprised of U.S. investment-grade, fixed-rate bond market securities, including government, government agency, corporate and mortgage-backed securities between one and 10 years. Written by Securities America, Copyright August 2020. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI# 3213534.1