



For the Week of January 18, 2021

THE MARKETS

U.S. stocks fell Friday following disappointing retail sales data and big bank earnings reports. Investors also feared President-elect Joe Biden's ambitious stimulus plan could result in tax hikes or higher interest rates. For the week, the Dow fell 0.91 percent to close at 30,814.26. The S&P lost 1.46 percent to finish at 3,768.25, and the NASDAQ dropped 1.54 percent to end at 12,998.50.

Returns Through 1/15/21	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-0.91	0.73	8.59	8.59	16.79
NASDAQ Composite (TR)	-1.54	0.87	41.63	22.66	25.03
S&P 500 (TR)	-1.46	0.39	16.66	12.74	17.23
Barclays US Agg Bond (TR)	0.19	-0.76	6.00	5.25	4.07
MSCI EAFE (TR)	-0.30	1.59	8.40	3.33	10.04

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.

Debt — The U.S. increased its national debt by \$7.77 trillion in the last four years. The U.S. increased its national debt by \$7.67 trillion in the previous seven years (source: Treasury Department, BTN Research).

Housing — The average interest rate nationwide on a 30-year fixed rate mortgage was 2.76 percent at the end of 2020. The all-time record low national average is 2.66 percent, set just one week earlier on Dec. 24 (source: Freddie Mac, BTN Research).

Where Does This Money Come From? — The Fed is buying \$120 billion of bonds each month — \$80 billion of Treasury debt and \$40 billion of mortgage-backed securities. The Fed confirmed on Dec. 16 the purchases will continue "until substantial further progress has been made toward the Committee's maximum employment and price stability goals" (source: Federal Reserve, BTN Research).

WEEKLY FOCUS Don't Put Autopay Bills on Autopilot

The majority of Americans have embraced the convenience of online, automatic bill payments. Autopay can save time, reduce clutter, and prevent missed payments, which may impair credit scores or lead to penalties. It also offers more control – allowing us to schedule the payment – compared to not knowing when a check will arrive or be cashed.

Still, you should be aware of potential downsides. Knowing bills will be paid on time can make us less vigilant in tracking spending, or watching for unexpected price increases or fraudulent charges. With autopay, it's easy to forget the date when a service or subscription automatically renews. And once something renews, it may be challenging to reverse.

It can be a chore to re-enter account information on multiple websites every time you change the credit card or checking account you're using for payments. Finally, while automatic electronic payments are generally more reliable than manual payments, they're not totally foolproof. Occasional glitches could result in added fees or loss of service.

You can take a few measures to reduce potential problems. If you have the option when you set up bill pay, choose to be notified by text or email before payments go through. When you cancel a service, make sure to monitor your statement to verify payments are stopped promptly. To keep things simple, you may want to reserve autopay for bills with regular, fixed charges.

Using a credit card for auto payments reduces the possibility of overdrawing your checking account, may allow you to accumulate points, and provides added protection against fraudulent or disputed charges. But benefits need to be weighed against the risk of not tracking expenses as closely and incurring interest charges if your balance isn't paid in full each month.

On the other hand, if you pay a credit card with automatic payments from your checking account, consider choosing the minimum payment option to prevent the possibility of overdrawing your account. Then when it's convenient, manually pay any outstanding balance to avoid interest charges. Whether you use a checking account or a credit card for your automatic payments, go through your statement at least once or twice a month to ensure everything is in order.

We are always available to help you look for ways to safeguard your money and protect your financial credit. Feel free to contact our office to set up an appointment to discuss any concerns or questions you may have.



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cell: (850) 228-4854
eknowles@pwmcllc.com
www.PWMCLLC.com

Edward A. Knowles, AIF®, BFA™
President / Wealth Advisor

* 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 January 2021. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI#3410930.1