

WEEKLY MARKET COMMENTARY

For the Week of February 22, 2021

THE MARKETS

Stocks ended a choppy week mixed. The S&P and the NASDAQ suffered their first weekly losses this month amid rising interest rates and expectations of growing inflation. For the week, the Dow rose 0.16 percent to close at 31,494.32. The S&P dropped 0.68 percent to finish at 3,906.71, and the NASDAQ fell 1.54 percent to end the week at 13,874.46.

Returns Through 2/19/21	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	0.16	3.17	9.70	10.19	16.67
NASDAQ Composite (TR)	-1.54	7.75	42.53	25.46	26.56
S&P 500 (TR)	-0.68	4.23	17.44	14.83	17.59
Barclays US Agg Bond (TR)	-0.57	-1.80	3.51	5.46	3.66
MSCI EAFE (TR)	0.27	4.07	13.09	5.28	10.39

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.

It's an Index — Inflation, as measured by the Consumer Price Index (CPI), was up 1.4 percent for 2020. The category food in the CPI calculation was up 3.9 percent for the year and medical care services was up 2.8 percent, but energy was down 7.0 percent last year (source: Department of Labor, BTN Research).

Let's Shoot for More — A 65-year-old American male has a life expectancy of 18.2 years. A 65-year-old American female has a life expectancy of 20.8 years (source: National Center for Health Statistics, BTN Research).

Thought It Would Be Higher — 522,808 Americans filed bankruptcy in 2020, down 30 percent from 752,160 bankruptcy filings in 2019 (source: United States Courts, Table F-2, Bankruptcy Filings, BTN Research).

WEEKLY MARKET COMMENTARY

Page 2 of 2

WEEKLY FOCUS – Financial Health Check

With almost two months of the new year elapsed, it's a good time to look at how well your recent behavior aligns with your financial goals. If there's room for improvement, you might consider applying one of these savings strategies.

Try a financial fast. Just as intermittent fasting from food has become popular among dieters and health enthusiasts, you might try a financial fast to quick start your savings. You may choose to go cold turkey, avoiding all unnecessary purchases, or to eliminate specific activities or categories of spending for a designated period of time. For instance, you could avoid shopping with credit or debit cards since researchers say customers spend less when using cash or put off clothes shopping. A financial fast can be as short as a week or extend a month or more.

Budget by the day. Another way to modify behavior is to set a daily budget and track your spending to see how it aligns when averaged over a month. Suppose you think \$50 a day is a reasonable goal for non-fixed expenses, including groceries. Record your daily purchases in a spreadsheet; there's something about seeing what you're spending day by day that inspires discipline. If you are over goal for a week or two, try to spend less the following weeks to stay on target for the month.

Delay gratification. Before putting an item in your shopping cart (in person or online), pause for 20 seconds and ask yourself if you really *need* it. Better yet, wait a day and see if you still *want* it. It's surprising how often enthusiasm cools after an impulse fades. For larger purchases, wait several weeks to evaluate your decision.

Time purchases. Trying to time the stock market rarely works, but many purchases are another story. You'll usually save by buying food in season and clothing out of season. Some items are consistently on sale at certain times. Shop for mattresses in May and computers during back-to-school or Black Friday sales. Look for last year's car models between September and December, when most new models come out.

Any of these approaches can help you resist the urge to splurge and lead to more mindful spending. Contact our office if you need more help identifying potential money-saving opportunities.



60 Barrett Drive, Suite G
Webster, NY 14580

Phone (585) 265-2870

Fax (585) 265-2885

www.emeraldinc.com

Securities offered through Securities America, Inc., a Registered Broker/Dealer, Member FINRA/SIPC. Advisory services offered through Securities America Advisors, Inc., an SEC Registered Investment Advisory Firm. The Securities America Companies and Emerald Financial Services are separate entities.

*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 February 2021. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI# 3461689.1