



Stocks notched strong gains last week, paced by a string of solid economic reports and consensus-beating corporate earnings.

The Dow Jones Industrial Average gained 3.89%, while the Standard & Poor's 500 advanced 4.65%. The Nasdaq Composite index jumped 6.01% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, climbed 1.96%.^{1,2,3}

Market Insights

Market Index	Close	Week	Y-T-D
DJIA	31,148.24	+3.89%	+1.77%
NASDAQ	13,856.30	+6.01%	+7.51%
MSCI-EAFE	2,165.73	+1.96%	+0.85%
S&P 500	3,886.83	+4.65%	+3.48%



Treasury	Close	Week	Y-T-D
10-Year Note	1.17%	+0.06%	+0.24%

Sources: The Wall Street Journal, February 5, 2021; Treasury.gov, February 5, 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, January 29, to Friday, February 5, close.
 Weekly performance for the MSCI-EAFE is measured from Friday, January 29, open to Thursday, February 4, close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

Bull Story Remains Intact

As the social media trading frenzy fizzled, investors were able to focus on more fundamental issues, like economic data and a fresh batch of corporate earnings. Pleased by an economy that appeared to be growing stronger, coronavirus cases in decline, and an improving vaccine rollout, investors bought stocks with enthusiasm.

The rally last week was broadly based, with the Energy, Financial, Communication Services, and Technology sectors posting gains.

The stock market's optimism on an improving economy was seconded by the bond market as the 30-year Treasury rate rose to nearly 2.0% by Friday. When yields rise, bond prices fall. Falling bond prices may indicate that investors are less interested in Treasuries and more interested in other investments that benefit from a stronger economy. Rising yields may also reflect worries that a growing economy may spark inflation that may lead the Fed to rethink its zero-rate policy.⁴

The Inevitable Denouement

It was just two weeks ago that a social media chat forum appeared to contribute to a buying frenzy in a handful of struggling companies, unsettling Wall Street and capturing the nation's attention.

These stocks staged a broad retreat last week as more was learned about the trading activity.

A similar social media-inspired buying effort was also initiated on silver. But silver prices experienced a modest gain before quickly reversing direction just days later.⁵

This Week: Key Economic Data

Tuesday: JOLTS (Job Openings and Labor Turnover Survey) report.
Wednesday: Consumer Price Index (CPI).
Thursday: Jobless Claims.
Friday: Consumer Sentiment.

Source: Econoday, February 5, 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.

This Week: Companies Reporting Earnings

Monday: Simon Property Group (SPG).
Tuesday: Twitter (TWTR), Welltower, Inc. (WELL), KKR & Co. (KKR), Martin Marietta (MLM), Fiserv (FISV).
Wednesday: Cisco Systems, Inc. (CSCO), General Motors (GM), Coca Cola (KO).
Thursday: Walt Disney (DIS), AstraZeneca (AZN).
Friday: Dominion Energy (D).

Source: Zacks, February 5, 2021
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Food for Thought

"Love recognizes no barriers."
 – Maya Angelou

Tax Tip

Be On Alert for IRS Scams

This tax season, the IRS expects an uptick in tax-related scams. In most cases, IRS "phishing" scams are bogus phone calls and emails that claim to come from the IRS.

Remember, the IRS will never:

- Call you without mailing an official notice first.
- Demand that you immediately pay your taxes over the phone.
- Take a debit or credit card number over the phone.
- Threaten to call law enforcement or immigration services to arrest you for failure to pay.

* This information is not intended to be a substitute for specific individualized tax advice. We suggest that you discuss your specific tax issues with a qualified tax professional.

Tip adapted from IRS.gov⁶

Healthy Living Tip

Loving Yourself First

February is a month that many associate with love. Romance, in particular. The rise of self-care over the past decade has brought attention to the concept of loving oneself – the basic philosophy behind it being that if we love and take care of ourselves, with intention, the happier and healthier we'll be, and all the people in our lives will benefit, including our romantic partners.

Loving ourselves isn't always easy. And it doesn't mean always being overly indulgent, but rather making choices that help support our overall well-being. For some people, that may look like taking time to relax if they have a lot of stress in their lives. For others, it can be making a to-do list to organize and accomplish tasks if they tend toward procrastination. Being more self-aware and cheering ourselves on more if we're often overly harsh or being more introspective and searching for ways to improve if we are myopic to our own shortcomings. All these things and many more not mentioned are intentional actions we can take to be our best selves.

This February, take some time to reflect on the ones you love. Just make sure you don't forget about the one you should love the most.

Tip adapted from PsychCentral.com⁷

Weekly Riddle

Six cups are lined up in a row. Cups 1-3 on the left are full of juice; cups 4-6 on the right are empty. How can you arrange this row so empty and full glasses alternate while moving only one cup in the process?

Last week's riddle: *It can certainly be measured, yet it has no length, width, or height. What is it? Answer: The temperature.*

Photo of the Week

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Sea Lions at sunset, San Diego, California.

Footnotes and Sources

1. The Wall Street Journal, February 5, 2021
2. The Wall Street Journal, February 5, 2021
3. The Wall Street Journal, February 5, 2021
4. The Wall Street Journal, February 5, 2021
5. CNBC, February 4, 2021
6. IRS.gov, October 7, 2020
7. PsychCentral.com, July 8, 2018

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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.

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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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