



The markets ended lower after a seesaw week with the S&P 500 dropping 0.77%¹. As stimulus checks were scheduled to start showing up and positive economic news sent the markets to new highs, but it didn't last as bond yields rose later in the week sending indices lower. The Fed reiterated their stance on maintaining low rates while raising their expectation of economic growth in 2021 to 6.5% from 4.2%. The Philadelphia Fed noted a jump in factory production in March as their index saw a gain to a reading of 51.8

from February's prior reading of 23.1, it's highest jump in nearly 50 years². On tap for this week, we'll see reports on new and existing home sales, GDP, unemployment, and the University of Michigan's Consumer Sentiment index numbers.

Happy Spring! Sunday marked the first day of spring and, here in Michigan, the temps soared into the 60's with plenty of sunshine. It's hard to believe the first quarter will be ending soon. It's been an interesting 3 months with vaccines becoming more available to anyone who wants one, some wild swings in the market (Morningstar notes the S&P 500 up 4.5% YTD through March 19), and the political changes. Also, the recent stimulus act contained some items relating to 2020 taxes (retroactively) which caused the IRS to push the deadline for filing from April 15 to May 17 in order to update their systems. The downside? Some returns already filed may need to be amended due to the changes. 1st quarter estimates for 2021 are still due on April 15. Talk to your tax advisor to see if these changes affect you.

---Chuck

This Week's Inspiration/Activity:

"A life spent making mistakes is not only more honorable, but more useful than a life spent doing nothing."

Irish Dramatist, George Bernard Shaw

Your activity for this week is to take a step forward in achieving a goal without fear of making a mistake.

This Week in History –

March 22, 1894 -- The first championship series for Lord Stanley's Cup is played in Montreal, Canada. It was given to the Montreal AAA team upon their defeat of the Ottawa Generals³.

¹ see update below

² <https://www.marketwatch.com/story/philly-fed-factory-index-hits-highest-level-in-nearly-50-years-11616071921?mod=economic-report>

³ <https://www.history.com/this-day-in-history/first-stanley-cup-championship-played>

In this week's recap: A week of ups and downs leaves modest losses at week's end.

Weekly Economic Update

Presented by Charles D. Vercellone, ChFC, March 22, 2021

THE WEEK ON WALL STREET

Rising bond yields and improving economic conditions led to a choppy week of trading that ended in modest losses for investors.

The Dow Jones Industrial Average fell 0.46%, while the Standard & Poor's 500 declined 0.77%. The Nasdaq Composite index lost 0.79% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, gained 1.24%.^{1,2,3}

RISING YIELDS

The stock market began the week on a positive note, rising on optimism over the economic reopenings and a decline in bond yields. Technology shares staged a strong turnaround from the previous week.

Following the FOMC (Federal Open Market Committee) meeting announcement reaffirming the Fed's easy-money policies, the Dow Industrials and the S&P 500 recorded new record closing highs.⁴

Markets reversed themselves on Thursday as a surge in yields sent technology and other high-growth stocks lower. During the session, the 10-year Treasury yield moved above 1.75% (the highest in 14 months), and the 30-year Treasury breached 2.5% for the first time since August 2019.⁵

Stocks closed out the week mixed as technology reclaimed some of the previous day's losses.

THE FED STANDS PAT

The Fed restated its commitment to no interest rate hikes through 2023. As expected, the FOMC also voted to continue its monthly bond purchases of at least \$120 billion.

FOMC members projected that the economy would grow 6.5% this year, a sharp improvement over its previous estimate of a 4.2% gain. The forecast for the unemployment rate by year-end is 4.5%, down from the current rate of 6.2%. While Fed Chair Powell said that he anticipates inflation rising this year, he expects price increases to be temporary, with inflation staying within the Fed's 2% target for the next several years.⁶

TIP OF THE WEEK



If you are 60 now, there is a reasonable chance that you may live into your eighties or nineties. So, with longevity in mind, prepare for retirement with wealth accumulation and wealth protection in mind.

THE WEEK AHEAD: KEY ECONOMIC DATA

Monday: Existing Home Sales.

Tuesday: New Home Sales.

Wednesday: Durable Goods Orders. Purchasing Managers' Index (PMI) Composite Flash.

Thursday: Gross Domestic Product (GDP). Jobless Claims.

Friday: Consumer Sentiment.

Source: Econoday, March 19, 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.

THE WEEK AHEAD: COMPANIES REPORTING EARNINGS

Tuesday: Adobe, Inc. (ADBE), Gamestop Corporation (GME).

Wednesday: General Mills (GIS).

Thursday: Darden Restaurants, Inc. (DRI).

Source: Zacks, March 19, 2021

Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities. Investing involves risks, and investment decisions should be based on your own goals, time horizon, and tolerance for risk. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost. Companies may reschedule when they report earnings without notice.

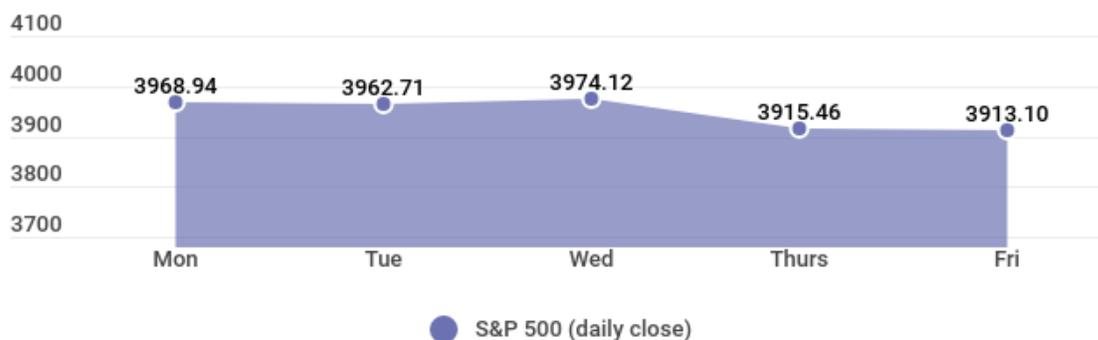
QUOTE OF THE WEEK



"It is good to have an end to journey toward; but it is the journey that matters, in the end."

URSULA K. LE GUIN

Market Index	Close	Week	Y-T-D
DJIA	32,627.97	-0.46%	+6.60%
NASDAQ	13,215.24	-0.79%	+2.54%
MSCI-EAFE	2,246.82	+1.24%	+4.62%
S&P 500	3,913.10	-0.77%	+4.18%



	Treasury	Close	Week	Y-T-D
	10-Year Note	1.74%	+0.10%	+0.81%

Sources: The Wall Street Journal, March 19, 2021; Treasury.gov, March 19, 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, March 12, to Friday, March 19, close. Weekly performance for the MSCI-EAFE is measured from Friday, March 12, open to Thursday, March 18, close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

THE WEEKLY RIDDLE



I have no heart or mind, but I do have two legs. Yet they only touch the ground when I am not carrying things around. What am I?

LAST WEEK'S RIDDLE: Where does today come before yesterday?

ANSWER: In the dictionary.

Know someone who could use information like this?

Please feel free to send us their contact information via phone or email. (Don't worry – we'll request their permission before adding them to our mailing list.)

Investing involves risks, and investment decisions should be based on your own goals, time horizon, and tolerance for risk. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost.

The forecasts or forward-looking statements are based on assumptions, may not materialize, and are subject to revision without notice.

The market indexes discussed are unmanaged, and generally, considered representative of their respective markets. Index performance is not indicative of the past performance of a particular investment. Indexes do not incur management fees, costs, and expenses. Individuals cannot directly invest in unmanaged indexes. Past performance does not guarantee future results.

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.

U.S. Treasury Notes are guaranteed by the federal government as to the timely payment of principal and interest. However, if you sell a Treasury Note prior to maturity, it may be worth more or less than the original price paid. Fixed income investments are subject to various risks including changes in interest rates, credit quality, inflation risk, market valuations, prepayments, corporate events, tax ramifications and other factors.

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.

This content is developed from sources believed to be providing accurate information. The information in this material is not intended as tax or legal advice. Please consult legal or tax professionals for specific information regarding your individual situation. This material was developed and

produced by FMG Suite to provide information on a topic that may be of interest. FMG is not affiliated with the named representative, financial professional, Registered Investment Advisor, Broker-Dealer, nor state- or SEC-registered investment advisory firm. The opinions expressed and material provided are for general information, and they should not be considered a solicitation for the purchase or sale of any security.

Copyright 2021 FMG Suite.

CITATIONS:

1. The Wall Street Journal, March 19, 2021
2. The Wall Street Journal, March 19, 2021
3. The Wall Street Journal, March 19, 2021
4. CNBC, March 17, 2021
5. CNBC, March 18, 2021
6. CNBC, March 17, 2021

Charles D. Vercellone, ChFC
Wealth Strategies Group, LLC
200 E Big Beaver, Troy MI 48083
248-680-4622
chuck@wsgllc.net
www.wsgllc.net/welcome

Fee Based Advisory Services through Sigma Planning Corporation, A Registered Investment Advisor
Securities Products and Services through Sigma Financial Corporation, Member FINRA/SIPC
Wealth Strategies Group, LLC is not affiliated with Sigma Planning Corp or Sigma Financial Corp