



Stocks ended the week flat with the S&P 500 managing a 0.19% increase¹. Prospects for an agreement on another round of stimulus and increased infection rates overseas made it difficult to maintain an upswing in the market. Futures pointed to a higher opening on Monday before earnings reports from Amazon and Facebook dragged the S&P lower². On other positive notes, the University of Michigan notes an uptick in Consumer Confidence in their preliminary October report³, and September retail sales figures showed the 5th consecutive monthly increase, rising 1.9% from August⁴.

Some new articles have been posted on the Client Center of my website.

<http://www.wsgllc.net/articles-of-interest/>

The Social Security Administration Announces 2021 COLA
Why Medicare Should Be Part of Your Retirement Strategy
Facts About Medicare Open Enrollment
Economic Issues in the Crosshairs
Annual Financial To-Do List

And.....

<http://www.wsgllc.net/coronavirus-updates>

Race for a Vaccine

Take a look and give me a call if you have questions. Feel free to pass this on to anyone you know who could benefit from the information.

----Chuck

This Week's Inspiration/Activity:

***If you aren't fired with enthusiasm, you will be fired with enthusiasm.
Vince Lombardi (1913 - 1970)***

Your action for this week is to approach everything you do with excitement and enthusiasm.

This Week in History

October 18, 1867 -- The U.S. formally takes possession of Alaska after purchasing the territory from Russia for \$7.2 million, or less than two cents an acre⁵.

¹ See update below

² <https://www.reuters.com/article/usa-stocks/wall-street-slips-as-losses-in-facebook-amazon-weigh-idUSKBN27410A>

³ <https://www.marketwatch.com/story/consumer-sentiment-inches-higher-in-early-october-but-so-does-economic-unease-11602858328?mod=economic-report>

⁴ <https://www.marketwatch.com/story/us-retail-sales-surge-19-in-september-in-show-of-strength-for-the-economy-2020-10-16?mod=economic-report>

⁵ <https://www.history.com/this-day-in-history/u-s-takes-possession-of-alaska>

In this week's recap: A difficult week for stocks, reacting to delayed stimulus, little good news on COVID-19 treatment, and jobless claims.

Weekly Economic Update

Presented by Charles D. Vercellone, ChFC, October 19, 2020

THE WEEK ON WALL STREET

Stocks treaded water last week amid fading prospects for a stimulus bill, fears of a second wave of COVID-19 cases, and increasing political and regulatory pressures on Big Tech companies.

The Dow Jones Industrial Average added just 0.07% while the Standard & Poor's 500 eked out a gain of 0.19%. The Nasdaq Composite index picked up 0.79% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, slid 2.08%.^{1,2,3}

ROCKY WEEK

The stock market began the week by posting strong gains on hopes of a fiscal stimulus bill. Also, investors were optimistic that earnings season would reflect an improving picture of corporate performance.

But stocks stumbled midweek on a mixed bag of early earnings results, and an increase in COVID-19 cases in the U.S. and Europe. Disappointing news on some key COVID-19 treatment trials also weighed on the market, as did a jump in new jobless claims and a continued stalemate on a fiscal stimulus package.

Stocks attempted to rally on Friday, emboldened by strong retail sales, but lost momentum as trading came to a close.

EARNINGS SEASON KICKS OFF

Earnings season began on an upbeat note as major banks mostly beat revenue and profit expectations. Banks attributed the strength to rising consumer deposits, a drop in the amount of money set aside for failing loans, and strong results from their investment banking and trading units.⁴

Airlines fared less well. Investors were disappointed with the quarterly reports even though the average daily cash burn at these companies generally improved. Airline management uniformly accompanied their earnings announcements with warnings of continued near-term weakness due to COVID-19.⁵

TIP OF THE WEEK



Consider setting up ground rules before you take someone into your home. It may be uncomfortable, but no one wants to argue over misunderstandings.

THE WEEK AHEAD: KEY ECONOMIC DATA

Tuesday: Housing Starts.

Thursday: Jobless Claims. Existing Home Sales. Index of Leading Economic Indicators.

Source: Econoday, October 16, 2020

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

Monday: Halliburton (HAL), PPG Industries (PPG), International Business Machines (IBM).

Tuesday: Netflix (NFLX), Lockheed Martin (LMT), Procter & Gamble (PG), Snap (SNAP), Texas Instruments (TXN).

Wednesday: Verizon (VZ), Abbott Laboratories (ABT), CSX Corp. (CSX), Chipotle Mexican Grill (CMG).

Thursday: AT&T (T), Intel Corp. (INTC), Coca Cola Co. (KO), American Airlines (AAL), Southwest Airlines (LUV).

Friday: American Express (AXP).

Source: Zacks, October 16, 2020

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.

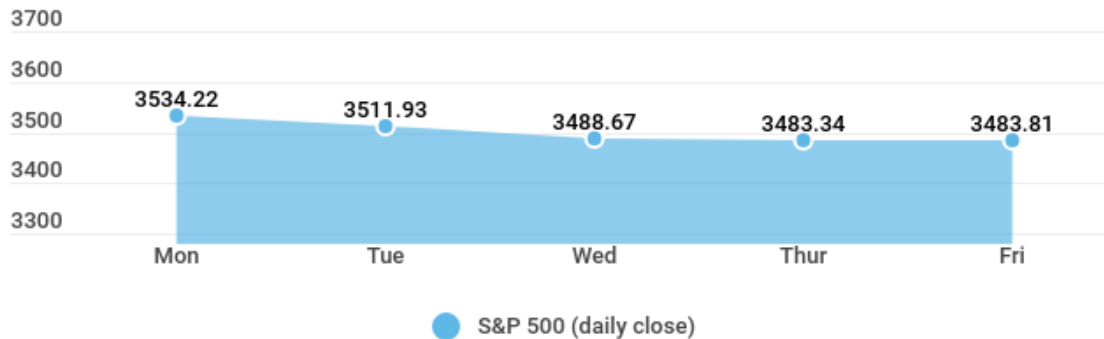
QUOTE OF THE WEEK




“A person will be just about as happy as they make up their minds to be.”

ABRAHAM LINCOLN

Market Index	Close	Week	Y-T-D
DJIA	28,606.31	+0.07%	+0.24%
NASDAQ	11,671.56	+0.79%	+30.08%
MSCI-EAFE	1,870.46	-2.08%	-8.17%
S&P 500	3,483.81	+0.19%	+7.83%



	Treasury	Close	Week	Y-T-D
	10-Year Note	0.76%	-0.03%	-1.16%

Sources: The Wall Street Journal, October 16, 2020; Treasury.gov, October 16, 2020

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, October 9, to Friday, October 16, close.

Weekly performance for the MSCI-EAFE is measured from Friday, October 9, open to the Thursday, October 15, close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

THE WEEKLY RIDDLE



What should the last entry be in the following sequence of numbers: 9|18, 8|46, 7|94, 6|63, 5|52, 4|__?

LAST WEEK'S RIDDLE: Al gives Jane three boxes, one labeled DIAMONDS, one labeled PEARLS and one labeled DIAMONDS OR PEARLS. He tells her that all three boxes are labeled incorrectly, and that one box contains diamonds, one pearls and the other emeralds. Al then tells Jane that if she can guess the contents of any box without opening it, she can keep the contents. How many boxes must Jane open to do this, and/or how many boxes can she keep?

ANSWER: Jane keeps everything and does not need to open a single box. Since each box is labeled incorrectly, the box labeled "Diamonds or Pearls" must contain emeralds. Therefore, the box labeled "Pearls" must contain diamonds, and the box labeled "Diamonds" must contain pearls.

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.

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CITATIONS:

1. The Wall Street Journal, October 16, 2020
2. The Wall Street Journal, October 16, 2020
3. The Wall Street Journal, October 16, 2020
4. CNBC.com, October 13, 2020
5. CNBC.com, October 14, 2020

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