

Market Commentary

For the week of July 26, 2021

The Markets

Returns Through 7/23/21	WTD	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	1.12	15.72	35.08	13.68	16.32
NASDAQ Composite (PR)	2.84	15.53	44.21	24.78	25.00
S&P 500 (TR)	1.97	18.41	39.33	17.99	17.47
Barclays US Agg Bond (TR)	0.19	-0.75	-0.65	5.68	3.18
MSCI EAFE (TR)	0.20	8.98	26.76	7.51	9.66

Observations

- U.S. equities moved higher this week as indicated by the S&P 500 which was up +1.97% on the week.
- In the U.S., smaller sized companies outperformed their larger-sized counterparts, as the Russell 2000 index increased +2.15% on the week.
- International stocks as measured by the MSCI EAFE were positive on the week, up +0.20%, underperforming domestic stocks.
- Emerging market stocks were negative on the week with the MSCI EM index down -2.09%.
- U.S. investment grade bonds were positive last week with the Bloomberg Barclays U.S. Aggregate Bond index up +0.19%.

Data Obtained from Bloomberg as of 7/23/2021



Economic Review

- Housing starts came in at 1.643 million starts, beating economists' forecasts of 1.572 million
- Building permits came in at -5.1%, significantly missing economists' forecasts of +0.7%
- Existing home sales came in at 5.86 million units, also missing economists' forecasts of 5.90 million
- Initial Jobless claims came in higher than expected posting a reading of 419,000 versus economists' forecast of 350,000 and a jump from last week's reading of 360,000

INSIGHT: Economic data for this week came in weaker than economists' estimates. Initial jobless claims surged higher by 59,000 compared to the prior week's reading, reversing the downward trend in claims reported for the prior few weeks. Digging into the headline initial claims number, the rise in claims can be attributed primarily to four states, Michigan, Missouri, Kentucky, and Texas, where supply chain shortages affecting industries such as auto manufacturers continue to be a headwind for their economies. Furthermore, the data coming in for this week continues to point to a slowdown in the housing market, with both building permits and existing home sales coming in below forecasts. However, more recently, commodity prices have come off their highs which has boded well for certain areas of the market such as housing starts. Ultimately, concerns surrounding the delta variant have caused a resurgence of skepticism by consumers and businesses regarding the economic recovery. However, we hope that delta variant fears are overheated and do believe that supply chain bottlenecks should subside.

A Look Forward

- New Home Sales will be released on Monday with economists' expectations of 800,000, an increase from the prior month's reading of 769,000
- GDP quarter-over-quarter readings will be released on Thursday, and consensus estimates have GDP growth at an annualized rate of +8.6%
- Consumer Confidence Index will come out on Tuesday, with an expected reading of 124.3

INSIGHT: The previous few quarters have been tumultuous for consumers, however with vaccinations rolling out and restrictions easing there is much optimism surrounding the growth of the economy. Gross Domestic Product (GDP) is one of the most prevalent data points pertaining to how well an economy is growing. Before the pandemic, GDP was increasing each quarter at a rate of 2%. This previous norm points to the amazing strides the economy has made since the pandemic, as the newest estimation for second quarter GDP is over 8%. Next, although Consumer Confidence is expected to decrease for the month of June the number is just below prepandemic levels of early 2020, and 2019. The peak in 2019 was 132, before falling to 86 at the height of the pandemic. These prints continue to support the strength of the economic recovery.



BY THE NUMBERS

NEXT MONTH - August has been the 2nd worst performing month for the S&P 500 index over the last 30 years (1991-2020), losing an average of 0.2% (total return) over the period. However, the S&P 500 gained +7.2% (total return) in August 2020 (source: BTN Research).

THEY HAD TO BE SURE - The government announced on Monday 7/19/21 that the recession the United States entered into at the end of February 2020 lasted just 2 months, ending on 4/30/20. The recession, the 18th in the country in the last 100 years, was the shortest recession in the last century. The other 17 recessions in the last 100 years lasted on average 13.6 months (source: Business Cycle Dating Committee of the National Bureau of Economic Research).

JUST TAKE UBER - The price of used cars and trucks in the United States is up +45.2% for the 1-year period ending 6/30/21. Over the same period, the price of "medical care services" is up just +1.0% (source: Bureau of Labor Statistics).

HAPPENED EARLIER THAN EXPECTED - Between March 2020 (i.e., the beginning of the global pandemic) and June 2021, 1.7 million more Americans retired from the workforce than would have normally retired if historical trends had continued (source: Schwartz Center for Economic Policy Analysis).

Index performance does not reflect the deduction of any fees and expenses, and if deducted, performance would be reduced. Indexes are unmanaged and investors are not able to invest directly into any index. Past performance cannot guarantee future results. Investing involves risk, including the potential loss of principal. No investment strategy can guarantee a profit or protect against loss. In general, the bond market is volatile; bond prices rise when interest rates fall and vice versa. This effect is usually pronounced for longer-term securities. Any fixed-income security sold or redeemed prior to maturity may be subject to a substantial gain or loss. Vehicles that invest in lower-rated debt securities (commonly referred to as junk bonds or high-yield bonds) involve additional risks because of the lower credit quality of the securities in the portfolio. International investing involves special risks not present with U.S. investments due to factors such as increased volatility, currency fluctuation, and differences in auditing and other financial standards. These risks can be accentuated in emerging markets. The statements provided herein are based solely on the opinions of the Advisor Group Research Team and are being provided for general information purposes only. Neither the information nor any opinion expressed constitutes an offer or a solicitation to buy or sell any securities or other financial instruments. Any opinions provided herein should not be relied upon for investment decisions and may differ from those of other departments or divisions of Advisor Group or its affiliates. Certain information may be based on information received from sources the Advisor Group Research Team considers reliable; however, the accuracy and completeness of such information cannot be guaranteed. Certain statements contained herein may constitute "projections," "forecasts" and other "forward-looking statements" which do not reflect actual results and are based primarily upon applying retroactively a hypothetical set of assumptions to certain historical financial information. Any opinions, projections, forecasts and forward-looking statements presented herein reflect the judgment of the Advisor Group Research Team only as of the date of this document and are subject to change without notice. Advisor Group has no obligation to provide updates or changes to these opinions, projections, forecasts and forward-looking statements. Advisor Group is not soliciting or recommending any action based on any information in this document. Securities and investment advisory services are offered through the firms: FSC Securities Corporation, Royal Alliance Associates, Inc., SagePoint Financial, Inc., Triad Advisors, LLC, and Woodbury Financial Services, Inc., broker-dealers, registered investment advisers, and members of FINRA and SIPC. Securities are offered through Securities America, Inc., a broker-dealer and member of FINRA and SIPC. Advisory services are offered through Arbor Point Advisors, LLC, Ladenburg Thalmann Asset Management, Inc., Securities America Advisors, Inc., and Triad Hybrid Solutions, LLC, registered investment advisers. Advisory programs offered by FSC Securities Corporation, Royal Alliance Associates, Inc., SagePoint Financial, Inc., and Woodbury Financial Services, Inc., are sponsored by VISION2020 Wealth Management Corp., an affiliated registered investment adviser. Advisor Group, Inc. is an affiliate of these firms

Mark Temperato, CLU, ChFC, RICP
Wealth Management Advisor/Partner
580 Fishers Station Rd. Victor, NY 14564
Office: 585-466-3275
Cell: 585-356-9658
MTemperato@DashCapitalAdvisors.com



Matt Piaseczny, ChFC, RICP
Wealth Management Advisor/Partner
580 Fishers Station Rd. Victor, NY 14564
Office: 585-466-3270
Cell: 585-451-4028
MPiaseczny@DashCapitalAdvisors.com

Registered Representatives offer securities through Securities America, Inc., member FINRA/SIPC. Investment Advisor Representatives offer financial advice through Securities America Advisors, Inc. Dash Capital Advisors and Securities America are separate companies. If you no longer want to receive this newsletter, please reply to this email with the word 'Unsubscribe' in the subject line. We will promptly remove your email from this newsletter's delivery list.