



INCISIVE INVESTOR

Randall Fielder, President & CEO

1400 Broadfield Blvd. Suite 200

Houston, TX 77084

713-955-3555

September 10, 2021

WEEK IN REVIEW

TURBULENT WEEK FOR THE MARKETS

Stock Market News

After opening higher on Friday morning, U.S. stock indexes fell for a fifth straight day as investors worried that the high number of Coronavirus delta variant cases may be slowing economic recovery, despite new vaccination mandates announced by President Joe Biden on Thursday.

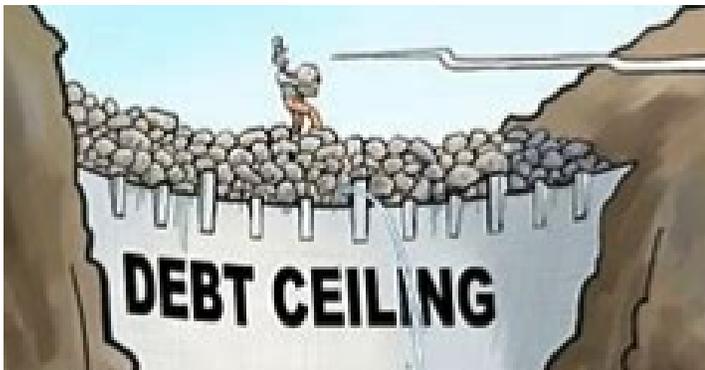
Dow Jones Industrial Average DJIA dropped almost 77 points, or 0.2%, to about 34,802. The blue-chip index had opened 224 points higher at its peak before hitting a nadir of 34,714.25 on Friday. At 4,486, the S&P 500 SPX was down almost 8 points, or 2%, but had set an intraday high of 4,520.47 before hitting a low of 4,477.95. Nasdaq Composite Index COMP fell 26 points, or 0.2%, to 15,222. The stock traded in an intraday

range between 15,349.47 and 15,207.30. According to FactSet data, the Dow is on track to lose 1.6% this week, while the S&P 500 is expected to fall 1.1% and the Nasdaq was expected to lose 0.9% this week.





US sharpens focus on debt ceiling



Secretary of the Treasury, Janet Yellen warned that time is running out for the US Congress to raise the national debt ceiling. According to Yellen, the conservation measures taken by her department to preserve cash will expire next month. Without raising the debt ceiling (a perennial political hot potato in Washington), the US government risks defaulting on its debt. To consolidate Republican support, President Joe Biden is reportedly considering coupling hurricane relief legislation with the debt ceiling increase.

Fed prepares for tapering

According to the Wall Street Journal, US Federal Reserve officials will announce their objective to reduce the pace of the central bank's \$120 billion bond-buying program in November. Currently, the plan is to finish the asset purchase by mid-2022. In line with

the market consensus, the report had little impact on prices.

Lower legislative price tag sought



Media news reported that West Virginia senator Joe Manchin called for reducing the massive social safety net expansion by the Biden administration. Manchin called for a "strategic pause" in the drive to pass the legislation last week. This week, reports circulated that he wants a bill amounting to \$1 trillion to \$1.5 trillion which is down from the package's present price tag of \$3.5 trillion. As part of their caucus, Manchin and Kyrsten Sinema (D-AZ) are being strongly encouraged to support the larger figure since the bill it would pay for is the cornerstone of Biden's legislative agenda.



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HEADLINERS

U.S. President Joe Biden and Chinese President Xi Jinping had their first telephone call since February to relieve tensions. The White House reported that both leaders agreed that it was the responsibility of both nations to prevent competition from degenerating into conflict.

As part of Biden's campaign, he vowed to

mandate Coronavirus vaccinations for federal employees and contractors and to require weekly testing or vaccinations for employers with more than 100 workers, with fines of up to \$14,000 per infraction for non-compliant employers. The move is expected to spark legal challenges.

Last week, US weekly jobless claims fell to a pandemic low of 310,000 as extended unemployment benefits came to an end.

MAJOR STOCK MOVES

Shares of Echo Global Logistics Inc. ECHO soared 53% higher on Friday after the transportation and supply chain company announced it would be acquired by the private-equity firm "The Jordan Company LP" for \$1.3 billion.

Kroger Co. KR reported a second-quarter net income of \$467 million, or 61 cents per share, down from \$819 million, or \$1.03 per share last year. There was a 7.5% decline in its stock price.

Despite the Office of the Comptroller of the Currency's \$250 million civil penalty against Wells Fargo, WFC shares rose 0.4% on Friday.

Shares of Bumble Inc. BMBL rose almost 8% after the dating app announced that the size of the previously announced stock offering increased by 20% and the offering

would cost \$54.00 per share.

Vista Outdoor Inc. VSTO announced Friday that it has agreed to acquire San Diego-based golf performance analysis and game enhancement company Foresight Sports for \$474 million. The stock was trading about 4% higher.

The children's clothing brand OshKosh B'Gosh is teaming up with lifestyle brand Kith for a 28-piece capsule collection that will be available on Friday at Kith stores, the Kidset website, and Kith's European online store. As part of Carter's Inc. CRI portfolio, OshKosh B'Gosh is a 126-year-old brand. There was a 1.4% increase in its stock price.

Shares of Apple Inc. AAPL shed 2.8% after a federal judge in the Epic Games Inc. case issued an injunction allowing developers to provide in-app purchases on the App Store, effectively bypassing commission fees of 15% to 30%. Despite this, it was not ruled as an antitrust monopolist.

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Do you have questions about your stimulus check, the CARES Act, recession, SBA loans, finances, the market or the economy?

Park 10 Financial has the knowledge and expertise to answer all of your concerns.

Email: info@park10financial.com



TAX DEDUCTIONS YOU WON'T BELIEVE

Here are some [examples of deductions](#) from the IRS that were permitted and some that were, uh, too creative.

Randall Fielder
(713-955-3555, Randall@park10financial.com)