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## Cases Rise, Stocks Retreat

Weekly Update – December 14, 2020

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### **The Week on Wall Street**

Stocks retreated last week on rising COVID-19 infections and slow progress on an economic relief bill.

The Dow Jones Industrial Average dipped 0.57%, while the Standard & Poor's 500 dropped 0.96%. The Nasdaq Composite index fell 0.69% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, declined 0.05%.<sup>1,2,3</sup>

### **Stimulus Stalls, Stocks Stumble**

The market grappled all week with worries over rising COVID-19 cases and the economic restrictions that followed. Nevertheless, there were moments of optimism—such as the starting of vaccinations in the U.K.— that drove markets to record highs.<sup>4</sup>

But gains could not be sustained as an agreement on a fiscal stimulus bill remained elusive and daily news regarding COVID-19 cases undermined investor sentiment.

Markets were also challenged by having to absorb a number of new and secondary stock offerings last week, including two high-profile technology IPOs. The Energy sector continued its strong run, while small and mid-cap stocks posted another week of positive performance.<sup>5</sup>

### **A “No-Deal” Brexit More Likely**

The prospects of an agreement to manage Britain's exit from the European Union by year end dimmed as the two parties failed to narrow their differences in a meeting held last week.<sup>6</sup>

Though primarily a European issue, a no-deal Brexit may hold consequences for U.S. businesses and investors. The failure to reach an agreement has the potential to disrupt an already fragile supply chain and cause issues in the financial markets. A supply chain disruption may weaken European economies (e.g., Germany) that are important to American companies. Another consequence may be a stronger U.S. dollar, which would make American exports more expensive and less competitive.

Little time remains in striking an agreement since the prevailing framework ends December 31, 2020.

### **THIS WEEK: KEY ECONOMIC DATA**

**Tuesday:** Industrial Production.

**Wednesday:** Retail Sales, Federal Open Market Committee (FOMC) Announcement.  
**Thursday:** Housing Starts, Jobless Claims.  
**Friday:** Index of Leading Economic Indicators.

Source: Econoday, December 11, 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.

## **THIS WEEK: COMPANIES REPORTING EARNINGS**

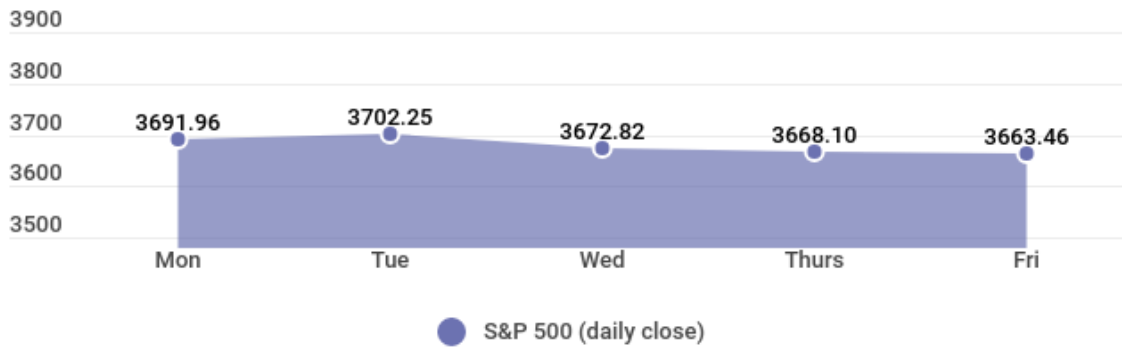
**Thursday:** General Mills (GIS)


**Friday:** Darden Restaurants (DRI)

Source: Zacks, December 11, 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.

Market Index	Close	Week	Y-T-D
DJIA	30,046.37	-0.57%	+5.28%
NASDAQ	12,377.87	-0.69%	+37.95%
MSCI-EAFE	2,100.00	-0.05%	+3.10%
S&P 500	3,663.46	-0.96%	+13.39%



	Treasury	Close	Week	Y-T-D
	10-Year Note	0.90%	-0.07%	-1.02%

Sources: The Wall Street Journal, December 11, 2020; Treasury.gov, December 11, 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, December 4, to Friday, December 11, close. Weekly performance for the MSCI-EAFE is measured from Friday, December 4, open to the Thursday, December 10, close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

## QUOTE OF THE WEEK



*"You're born an original. Don't die a copy."*

– John Mason



## Breakfast Quesadillas



1 quesadilla

### Ingredients:

- 2 eggs
- Hot sauce (optional)
- Salt
- $\frac{1}{3}$  cup pinto or black beans, rinsed and drained
- 2 teaspoons butter or olive oil
- 1 tablespoon chives, chopped
- 1 tablespoon cilantro, finely chopped
- 1 medium tortilla
- $\frac{1}{2}$  cup cheddar cheese
- Salsa or hot sauce for serving

### Directions:

1. Whisk together the eggs, hot sauce (depending on preference) and salt. Add the beans and set aside.
2. Melt the butter or add oil in a pan over medium heat. Add in the egg mixture and cook until just set.
3. Transfer the eggs to a bowl and add in the chives and cilantro.
4. In a separate skillet, warm the tortilla over medium heat, flipping occasionally.

5. Once the tortilla is warm, sprinkle half the cheese over one half of the tortilla. Top the tortilla with the eggs and top the eggs with the rest of the cheese.
6. Press the top half of the tortilla over the toppings and cook until golden and crispy on both sides.

Recipe adapted from Cookie and Kate<sup>7</sup>



### Year-End Tax Tips

2020 is almost over, which means it's time to start wrapping up those taxes for the year! There are lots of things to do to prepare for 2021. Here are some year-end tax tips to consider:

- If you think you will be in the same or a lower tax bracket next year, it may be beneficial to defer income until 2021. This could include self-employment income or year-end bonuses.
- You may be able to take some last-minute tax deductions, such as controlling when you contribute to charity.

The end of the year is the perfect time to talk with your tax professional on how to position yourself for 2021.

\* 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 Turbo Tax<sup>8</sup>



### Try This Drill When Cold Weather Hits

When the weather outside is frightful, golfing isn't as delightful! But that doesn't mean that you have to lose your muscle memory just because you can't get out to the course. This drill can help.

Find a place in your home where you can do a full swing without hitting anything. Or, you can go outside if the weather permits. Then, do 25 or more full swings with your heaviest club or add weight to your club. This will help loosen the muscles you use when you swing and retain positive muscle memory. Golf pros have seen their students gain 15-20 extra yards off the tee after doing this every day in the winter.

Tip adapted from PGA<sup>9</sup>



### **Ways to Give Back This Season**

The holiday season is a time to give back to our community. There are many service opportunities available, whether you seek out ones in your community or give back on your own. Here are some ideas:

- Bake cookies or casseroles and pass them out at the local fire departments, police stations, hospitals, or to elderly neighbors or those in need.
- Pack stockings for homeless people in your community. Include helpful goodies like water bottles, granola bars, hand sanitizer, toothpaste and a toothbrush, or warm gloves.
- Clean out the toy box with your child or grandchildren and donate some toys or games that they don't play with anymore. This is a great learning lesson for little ones!
- "Adopt a family" during the holiday season and help them out with gifts or necessities. Churches and other local organizations often have a program where you can find families in need and help them out.
- Donate to a food bank. You can either shop for nonperishables or donate your time!

Tip adapted from US News and World Report<sup>10</sup>



### **Eco-Friendly Gift Guide**

Still looking for the perfect gift for those on your list? There are plenty of ways to be green this holiday season, including shopping for gifts that are either sustainable or help

give back to organizations that are helping take care of our planet. Here are some ideas:

- Reusable water bottles make the perfect gift for that person who always has a plastic bottle with them. Help them drink more water and save plastic!
- Reusable straws are a fun gift and are becoming easier to carry around. Look for reusable straws that are compact and go with you anywhere, from restaurants to coffee shops.
- Amour Vert is a company that's focused on creating sustainable fashion pieces. Plus, they plant a tree for every t-shirt bought!
- Avocado produces healthy, non-toxic organic mattresses, pillows, and sleep accessories. Getting a good night's sleep has never been greener!

Tip adapted from Scary Mommy<sup>11</sup>

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*Please share this market update with family, friends, or colleagues.*

*We love being introduced!*

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Diversification does not guarantee profit nor is it guaranteed to protect assets.

International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors.

The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general.

The Dow Jones Industrial Average is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the NASDAQ. The DJIA was invented by Charles Dow back in 1896.

The 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 stocks of technology companies and growth companies.

The MSCI EAFE Index was created by Morgan Stanley Capital International (MSCI) that serves as a benchmark of the performance in major international equity markets as represented by 21 major MSCI indices from Europe, Australia, and Southeast Asia.

The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.

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<sup>1</sup> The Wall Street Journal, December 11, 2020

<sup>2</sup> The Wall Street Journal, December 11, 2020

<sup>3</sup> The Wall Street Journal, December 11, 2020

<sup>4</sup> USAToday.com, December 8, 2020

<sup>5</sup> CNBC.com, December 10, 2020

<sup>6</sup> CNBC.com, December 9, 2020

<sup>7</sup> Cookieandkate.com, December 11, 2020

<sup>8</sup> Turbotax.intuit.com, December 11, 2020

<sup>9</sup> PGA.com, December 11, 2020

<sup>10</sup> Money.usnews.com, December 11, 2020

<sup>11</sup> Scarymommy.com, December 11, 2020