

WEEKLY MARKET COMMENTARY

For the Week of May 10, 2021

THE MARKETS

Stocks rose to record levels Friday despite negative economic news. The Labor Department reported just 266,000 non-farm jobs were added last month, far from the 1 million forecasters expected, and the unemployment rate rose 6 percent. Bad news seemed to be good news to investors expecting the Fed to keep interest rates low. For the week, the Dow rose 2.72 percent to close at 34,777.76. The S&P gained 1.26 percent to finish at 4,232.60, and the NASDAQ dropped 1.48 percent to end at 13,752.24.

Returns Through 5/7/2021	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	2.72	14.33	48.73	15.24	17.13
NASDAQ Composite (TR)	-1.48	6.94	54.36	24.92	25.05
S&P 500 (TR)	1.26	13.25	49.35	18.79	17.79
Barclays US Agg Bond (TR)	0.28	-2.34	0.17	5.31	3.21
MSCI EAFE (TR)	2.59	9.36	46.88	7.25	10.11

Source: Morningstar.com. *Past performance is no guarantee of future results. Indexes are unmanaged and cannot be invested into directly. Three- and five-year returns are annualized. The Dow Jones Industrials, MSCI EAFE, Barclays US Agg Bond, NASDAQ and S&P, excluding "1 Week" returns, are based on total return, which is a reflection of return to an investor by reinvesting dividends after the deduction of withholding tax. (TR) indicates total return. MSCI EAFE returns stated in U.S. dollars.

Tax Cheaters — In September 2019, the government projected our nation's tax gap, i.e., the difference between what all taxpayers should have paid compared to what they actually paid, was \$441 billion per year. On April 13, IRS Commissioner Charles Rettig testified before the Senate Finance Committee the tax gap could be as high as \$1 trillion annually, or more than double the previous estimate (source: IRS, BTN Research).

Wood — The average cost of building a new single-family home in the U.S. has increased by 8 percent in the last year (\$24,000) solely because of the rising cost of lumber. Lumber mills shut down nationwide in 2020 for as long as four months, leading to a lumber shortage as homebuilding demand accelerated. Lumber imports into the U.S. have been impacted by a beetle plague ravaging Canadian forests (source: National Association of Homebuilders, BTN Research).

Half — 49 percent of the United States' 330 million population maintain their health insurance through an employer's health insurance plan either as an employee or a dependent of an employee (source: Kaiser Family Foundation, BTN Research).

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WEEKLY FOCUS – Make Your Tax Refund Work for You

If you're one of the millions of Americans receiving a tax refund this year, why not use that money to reap long-term benefits? The following seven options could make a lasting impact on your financial well-being:

1. **Boost or replenish your emergency fund.** Having an emergency fund to cover basic living expenses is an important step to achieving your financial plans and keeping your retirement funds secure. If you don't have six months of living expenses set aside in a high-interest savings account, use your tax refund to get closer to that goal.
2. **Pay down high-interest debt.** If you have credit card debt, pay down your balance to get out of debt quicker. Then invest the money you save each month.
3. **Fund your retirement.** If your emergency fund is set and you don't have high-interest debt, invest your tax refund in your retirement plan. If you want to reap the full benefits of compound interest, the sooner the better.
4. **Invest in your career.** If there's a course you've been wanting to take to boost your career, use your refund for tuition. Or, perhaps you have a hobby you've always wanted to turn into a side business. Why not use the money to create a website or build the inventory you need to get started?
5. **Update your home.** Increase your home's efficiency with new windows or appliances. You'll save money on utility bills now and make your home more valuable when it's time to sell.
6. **Buy life insurance.** Purchase a term life insurance policy to guarantee your loved ones an equal standard of living should tragedy strike.
7. **Support a charity.** Donate part or all of your tax refund to a charity and lower your taxable income in the process.

How you spend your money will ultimately depend upon your goals and individual financial situation. If you need help deciding your best route, call our office.

If you would like to talk with John about the topics discussed in this article, or you would like to set up a phone or in person appointment to review your accounts or discuss any concerns about the markets, etc., with John, then please contact our office at 408-440-1020, or John.plaza@securitiesamerica.com to arrange a time that is convenient for you.

* 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 index of 30 actively traded blue-chip stocks. NASDAQ Composite Index is an unmanaged, market-weighted index of all over-the-counter common stocks traded on the National Association of Securities Dealers Automated Quotation System. The Morgan Stanley Capital International Europe, Australia and Far East Index (MSCI EAFE Index) is a widely recognized benchmark of non-U.S. stock markets. It is an unmanaged index composed of a sample of companies representative of the market structure of 20 European and Pacific Basin countries and includes reinvestment of all dividends. Barclays Capital Aggregate Bond Index is an unmanaged index comprised of U.S. investment-grade, fixed-rate bond market securities, including government, government agency, corporate and mortgage-backed securities between one and 10 years. Written by Securities America, Copyright May 2021. All rights reserved. Securities offered through Securities America, Inc., broker-dealer and member of FINRA and SIPC. Investment advisory services offered through Securities America Advisors, Inc. and/or Arbor Point Advisors LLC, registered investment advisers. Securities America, Inc., Securities America Advisors, Inc., and Arbor Point Advisors LLC are separately owned and other entities and/or marketing names, products or services referenced here are independent. Securities America • 12325 Port Grace Blvd. • La Vista, NE 68128 • 800-747-6111 • securitiesamerica.com SAI# 3584659.1