

09/01/21

Good Afternoon,

Markets finished strong in August and now we enter September, historically the worst month of the year for stocks. 2021 has been steady and strong for stock investors with just a few intermittent pullbacks followed by stronger rallies. While we wouldn't be surprised by a September selloff, we don't believe it would be sustained. There is still too much stimulus in the system and interest rates remain very low – both market positives.

One of the key indicators we follow is consumer confidence. With more than two-thirds of the economy based on consumer spending, confidence is the key determinant of growth, even more so than jobs. Yes, jobs are important—you can't spend money if you're not making it. But to spend the extra money that kicks growth up another notch, you need to have the job *and* feel confident enough to spend. Yesterday, the monthly Conference Board reading for consumer confidence was down sharply.

There are multiple potential reasons for this decline. The spread of the Delta variant of COVID has started to get people worried. Higher prices (for homes and cars, especially) are discouraging for people who want to get on with their lives. The expiration, either recent or pending, of federal supplemental unemployment insurance and the pending expiration of the eviction moratorium will hit confidence. People have a lot to worry about, and it is not really surprising that the confidence numbers are pulling back and doing so sharply. Although one or two months of data are not determinative, these numbers are likely ratifying what we're already seeing in the headlines. If confidence continues to decline, history shows that economic and market trouble tend to follow a year or so later. We'll be keeping an eye on this going forward.

In the meantime, have a wonderful and confident Labor Day Weekend!

Please visit our website at www.canfg.com or the link below for the last Market Update from Commonwealth Financial Network® – the broker/dealer that supports us in helping you manage your financial life.

http://www.commonwealth.com/RepSiteContent/weekly_comm/commentary_redirect.htm

As always, if you would like to discuss this or anything regarding current market conditions or your portfolio, feel free to contact me at any time.

Wade

Wade A. Sarkis, CFP®, AIF®
Managing Partner
Canandaigua Financial Group
45 Ontario Street
Canandaigua, NY 14424
(585) 396-2720

Securities and Advisory Services offered through Commonwealth Financial Network, Member FINRA, SIPC, a Registered Investment Adviser
Note: Trade orders cannot be accepted via email or voicemail.