



Market Commentary October 18, 2021

Dear Investors:

Don't get spooked!

Barron's Big Money Poll is an exclusive survey of market sentiment among professional investors. Last week, Nicholas Jasinski reported on 2021's findings:

"America's money managers are optimistic about the long-term outlook for the economy, the financial markets, and the recovery from the [COVID-19] pandemic. It's the short-term prognosis that concerns them. Monetary and fiscal policies are in flux. Supply-chain bottlenecks and labor shortages are igniting inflation and threatening corporate profit margins, and the economic recovery from 2020's recession – so robust until now – is decelerating. Add pricey stock valuations and rising bond yields, and the immediate future suddenly looks more challenging than the recent past."

Among those surveyed by *Barron's*, half are bullish about prospects for the next 12 months, down from 67 percent last spring. Twelve percent are bearish, up from seven percent last spring, and the rest are neutral. Fifty percent said stock markets are fairly valued at current levels, and 80 percent anticipate a stock market correction – a drop of about 10 percent from a recent high – during the next six months.

Market corrections are not all that unusual. The average correction lasts a few months, reported James Chen on *Investopedia*. That's long enough, though, for loss aversion to kick in. Research has found that, psychologically, the pain from loss is twice as powerful as the pleasure from gain. As a result, when markets decline, loss aversion causes some investors to wonder whether they should make changes to their investment strategies and that can have a negative impact on long-term financial goals.

There is no way to know whether a correction is ahead. That said, if a market downturn has you wondering about your investment strategy, please get in touch. We can discuss whether changes should be made.

Last week, major U.S. indices finished the week higher, and the yield on a 10-year U.S. Treasury moved lower.

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Data as of 10/15/21	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 Index	1.8%	19.0%	28.4%	17.6%	16.0%	14.1%
Dow Jones Global ex-U.S. Index	2.3	7.0	22.7	9.2	7.6	4.9
10-year Treasury Note (yield only)	1.6	N/A	0.7	3.2	1.8	2.2
Gold (per ounce)	0.0	-6.1	-6.3	13.0	7.2	0.5
Bloomberg Commodity Index	2.1	34.2	42.6	6.3	3.9	-3.4

S&P 500, Dow Jones Global ex-US, Gold, Bloomberg Commodity Index returns exclude reinvested dividends (gold does not pay a dividend) and the three-, five-, and 10-year returns are annualized; and the 10-year Treasury Note is simply the yield at the close of the day on each of the historical time periods. Sources: Yahoo! Finance; MarketWatch; djindexes.com; Federal Reserve Bank of St. Louis; London Bullion Market Association. Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly. N/A means not applicable.

PUMPKINS AND TOMBSTONES AND ZOMBIES, OH MY!

Americans expect to spend more than \$10 billion on Halloween this year, according to the National Retail Federation. That's about \$103 per consumer, although families with children spend well-above average on the spookiest night of the year.

Not all of them pay full price, though.

A purveyor of discounts dug deep into its data graveyard and unearthed the states that are most possessed by Halloween spirit. States that have been spellbound by...horror of horrors...the magic of Halloween coupons.

The spookiest section of the United States is the South, where residents purchased 37 percent of the Halloween coupons sold across the land. Southerners jumped at the opportunity to buy costumes, ghost hunts, haunted house tickets and haunted tours at low, low prices. The epicenter of the devilry was Louisiana, which accounted for 29 percent of the company's coupon sales. The Bayou State also is home to New Orleans, which is purported to be one of the most haunted cities in the world.

The South has a taste for spooky estates to rival that of the West. Californians howl for haunting, having purchased the majority discounted ghost tours sold in the western U.S. and one of every five sold in the entire nation. The Sunshine State is also home to the infamous Winchester Mystery House, an architectural wonder that was under construction from 1886 to 1922, when its owner, Sarah Winchester, died. Rumor has it, the firearms heiress expanded continuously to keep her fear of ghosts at bay.

Sarah Winchester was originally from the Northeast, a region with a frugal reputation, although its residents purchased less than a quarter of the Halloween coupons sold across the country. Of course, if you crack the code, you'll discover the chilling truth...Northeasterners purchased the most coupons per capita over the last five years!

The real secret, though, is that a district – not a state – is the biggest consumer of Halloween discount offers. That's right, on a per capita basis, Washington D.C. consumes more spooky coupons than any state in the country.

Notably, the Midwest had relatively little hunger for Halloween coupons. That may be because trick-or-treating isn't quite the same when a costume must fit over, or be covered by, a winter coat.

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Weekly Focus – Think About It

“We make up horrors to help us cope with the real ones.”

—Stephen King, author

Best regards,

SYMPHONY FINANCIAL SERVICES, INC.

P.S. Please feel free to forward this commentary to family, friends or colleagues. If you would like us to add them to the list, please reply to this email with their email address and we will ask for their permission to be added.

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* Government bonds and Treasury Bills are guaranteed by the U.S. government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value. However, the value of fund shares is not guaranteed and will fluctuate.

* Corporate bonds are considered higher risk than government bonds but normally offer a higher yield and are subject to market, interest rate and credit risk as well as additional risks based on the quality of issuer coupon rate, price, yield, maturity, and redemption features.

* The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. You cannot invest directly in this index.

* All indexes referenced are unmanaged. The volatility of indexes could be materially different from that of a client's portfolio. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment. You cannot invest directly in an index.

* The Dow Jones Global ex-U.S. Index covers approximately 95% of the market capitalization of the 45 developed and emerging countries included in the Index.

* 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.

* Gold represents the 3:00 p.m. (London time) gold price as reported by the London Bullion Market Association and is expressed in U.S. Dollars per fine troy ounce. The source for gold data is Federal Reserve Bank of St. Louis (FRED), <https://fred.stlouisfed.org/series/GOLDPMGBD228NLBM>.

* The Bloomberg Commodity Index is designed to be a highly liquid and diversified benchmark for the commodity futures market. The Index is composed of futures contracts on 19 physical commodities and was launched on July 14, 1998.

* The DJ Equity All REIT Total Return Index measures the total return performance of the equity subcategory of the Real Estate Investment Trust (REIT) industry as calculated by Dow Jones.

* The Dow Jones Industrial Average (DJIA), commonly known as “The Dow,” is an index representing 30 stock of companies maintained and reviewed by the editors of The Wall Street Journal.

* The NASDAQ Composite is an unmanaged index of securities traded on the NASDAQ system.

* International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors. These risks are often heightened for investments in emerging markets.

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* Yahoo! Finance is the source for any reference to the performance of an index between two specific periods.

* The risk of loss in trading commodities and futures can be substantial. You should therefore carefully consider whether such trading is suitable for you in light of your financial condition. The high degree of leverage is often obtainable in commodity trading and can work against you as well as for you. The use of leverage can lead to large losses as well as gains.

* Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance.

* Economic forecasts set forth may not develop as predicted and there can be no guarantee that strategies promoted will be successful.

* Past performance does not guarantee future results. Investing involves risk, including loss of principal.

* The foregoing information has been obtained from sources considered to be reliable, but we do not guarantee it is accurate or complete.

* There is no guarantee a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio. Diversification does not protect against market risk.

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- * Asset allocation does not ensure a profit or protect against a loss.
- * Consult your financial professional before making any investment decision.

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