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"We've yet to find anyone who can accurately and consistently predict the market's short-term moves."

-The Motley Fool

New High Again (and Again)

Update-

With gains last Friday, three new highs were reached – the S&P 500, the NASDAQ Composite, and the Russell 1000. The Russell 3000 and the Dow Jones Total Stock Market barely missed their February records. Oh well, there is always next week! For the S&P 500, last week was its fourth consecutive weekly gain – its longest winning streak of the year. For the NASDAQ Composite last week surged 2.7%, led by Apple which topped \$2 trillion in capitalization and rose 5.2%. Nvidia jumped 4.5% while Tesla shares rocketed 24% to close at \$2,049.98 per share.¹

After technology issues the home-building industry did not disappoint. Home sales swelled in July with previously owned homes jumping 24.7% from June to a seasonally adjusted rate of 5.86 million.² Housing starts soared 22.6% in July from June while mortgage rates hovered near their record lows.³ The 10-year T-note closed Friday with a 0.63% yield, 25 basis points above its all-time low set March 9.

A Yellow Light Flashing –

With the ongoing pandemic, the percentage of Americans who own stock – despite the millennials – either directly or through retirement, is falling. According to the most recent Gallup poll, participation stands at 55%, down from a high of 67% in 2002.⁴ The top 10% of primarily white-collar earners owned 87% of all U.S. stocks outstanding in the first quarter of 2002.⁵

As mentioned previously, the weighted large cap indices have been pulled 'north' due the FAANG plus Microsoft issues. As of earlier this month, most S&P 500 stocks are still negative for 2020. Chief strategist Michael Harnett of Bank of America points out that if you invest \$1,000 into the S&P 500, \$230 goes into 5 stocks – Apple, Microsoft, Amazon.com, Facebook, and Google.⁶

We will discuss in greater depth the significance of diversification and portfolio balancing in our monthly newsletter. Stay tuned!

Yours,

George Gumbiner



Five Star Wealth Manager since 2009, without exception
A+ rating with BBB Accredited Business Since 2002

P.S. Reminder! Please access the Marathon website for monthly commentaries, tools and timely statements on the markets! We have built numerous tools into our website to help you in answering many diverse financial issues. Input www.MarathonInvestments.com.

¹ Wall Street Journal S&P 500 Tops High, Extends Streak p.B11 8/22/20

² Wall Street Journal Home Sales Reach Lofty Heights p.A1 8/22/20

³ Ibid.

⁴ www.wsj.com When the Stock Market and Economy Seem Disconnected 8/21/20

⁵ Ibid.

⁶ www.wsj.com Eek! Why I don't Trust S&P 500 Index Funds 8/10/20