

# WEEKLY MARKET COMMENTARY

For the Week of December 23, 2019

## THE MARKETS

The three major indexes attained record closing highs on Friday. Several factors boosted investor confidence: unemployment at 50-year lows, President Trump's positive remark regarding a conversation about the trade deal with China's president and an upwardly revised report on consumer spending in the third quarter. For the week, the Dow rose 1.14 percent to close at 28,455.09. The S&P gained 1.68 percent to finish at 3,221.22, and the NASDAQ climbed 2.18 percent to end the week at 8,924.96.

Returns Through 12/20/19	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	1.14	24.98	27.54	15.21	12.55
NASDAQ Composite (PR)	2.18	34.51	36.71	17.63	13.37
S&P 500 (TR)	1.68	31.05	33.21	14.62	11.51
Barclays US Agg Bond (TR)	-0.30	8.54	9.00	4.28	3.05
MSCI EAFE (TR)	0.64	21.43	21.97	9.70	5.49

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 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. The NASDAQ is based on price return, which is the capital appreciation of the portfolio, excluding income generated by the assets in the portfolio in the form of interest and dividends. (TR) indicates total return. (PR) indicates price return. MSCI EAFE returns stated in U.S. dollars.

**Mind Boggling** — As of Thursday, Dec. 12, our national debt is \$23.1 trillion. If the United States was to pay down the national debt by \$1 million a minute (\$1.44 billion a day), it would still take 44 years to extinguish \$23.1 trillion of debt (source: Treasury Department, BTN Research)

**Just Our Interest Expense** — The government paid \$376 billion of interest expense on our nation's outstanding debt during fiscal year 2019; that equals roughly \$1 billion per day (source: Treasury Department, BTN Research).

**Where Have You Been?** — 61 percent of 1,010 Americans adults surveyed in November 2019 indicated the stock market has had no impact or not much impact on their personal finances, suggesting they hold limited to no equity investments. 18 percent of those surveyed thought the stock market had declined YTD, when really, the S&P 500 was up 28.9 percent YTD (total return) through Friday, Dec. 13 (source: Peter G. Peterson Foundation, BTN Research).

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## WEEKLY FOCUS – Smart Spending Can Save You Money in the Year Ahead

As you look ahead to 2020 and start setting financial goals, don't forget to also make plans on how you'll spend your money. Of course, it's wise to save and invest. But by spending your money smartly on the right things, you may improve the quality of your life and even save more money over the long run. Here are just a few key areas you may want to focus on as you set your spending goals for the year ahead.

**Home Improvement:** Your home is a big investment, and improvements help increase its value over the long run and may save you from being hit with large unexpected repair bills. Start by going room to room and make a prioritized list of improvements and upgrades, set a budget and shop around for the best prices on service and supplies. Also consider upgrading appliances and your furnace and air conditioning to more energy-efficient models.

**Self-Improvement:** Investing in your health today may save you from facing major health care expenses or having to miss work due to illness or injury down the road. But before you purchase an expensive piece of exercise equipment or a gym membership, be sure you are fully committed to using it all year long and beyond. Maintaining good health isn't just about exercise. You also may want to buy better quality foods, take a long overdue vacation and purchase resources that will alleviate stress, improve sleep quality, ease pain, keep your teeth healthier or help you quit smoking.

**Items that Can Save You Money:** Upgrading to a programmable thermostat can potentially save you hundreds of dollars each year in heating- and cooling-related expenses. By installing water filters you can enjoy the same quality of drinking water found in much more expensive bottled water at a fraction of the cost. Adding low-flow shower heads and faucet aerators can help lower your water bill. And replacing standard light bulbs with long-lasting LEDs can significantly reduce electricity costs.

Also, be sure to schedule your car for regular maintenance to keep it running at peak performance, which can improve fuel economy and reduce the chances for costly repairs.

These are just a few suggestions to help you spend wisely in the year ahead. If you would like to discuss these and other ways you can save and invest your hard-earned money, please contact my office today to schedule an appointment.

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\* 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 December 2019. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI# 2881971.1