



TRENDING TODAY

Bi-weekly
eNewsletter

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THE BIGGEST STOCK MARKET REVERSAL *IN HISTORY!*

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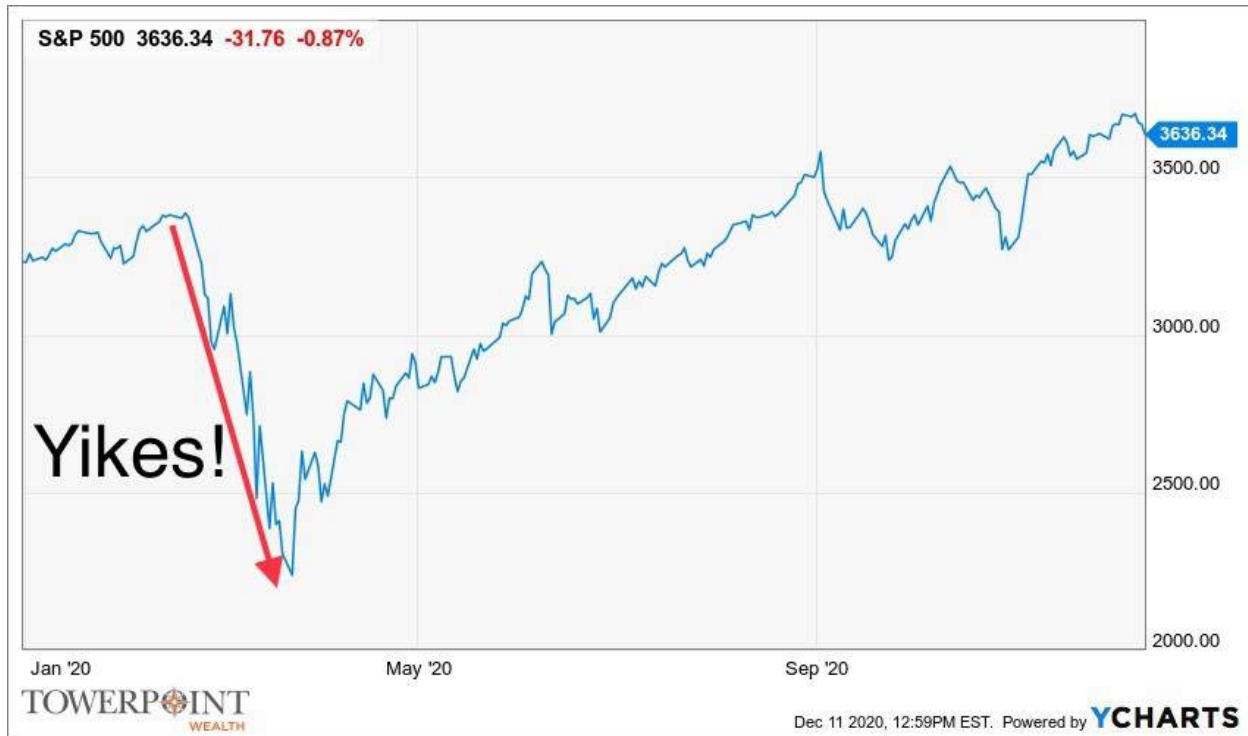
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TOWERPOINT
WEALTH

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The Biggest Stock Market REVERSAL in History! Trending Today - 12.11.2020

It is normal for the stock market (in this case defined as the S&P 500) to experience *intra-year* declines. To wit: From the all time highs it set early in 2020, the S&P 500's deep **34%** decline in March.

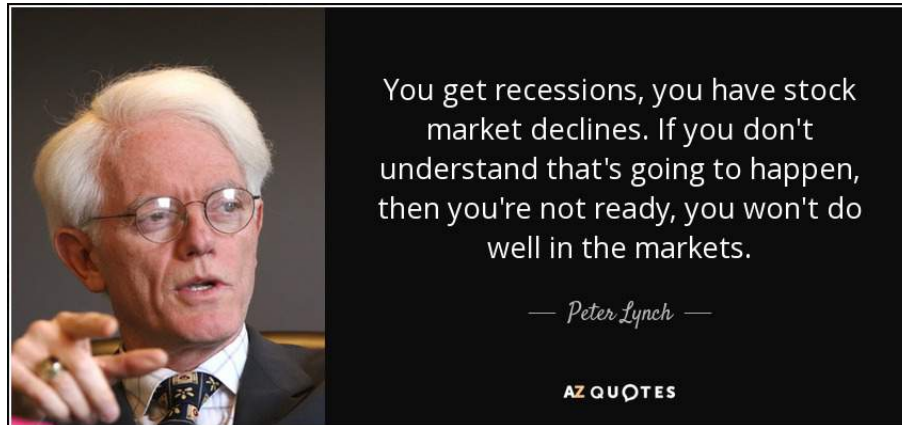


And while stating that the stock market goes up and down is not at all profound, in this context it has *a lot* of meaning and important context. Just how common are these intra-year declines?

S&P 500 Intra-Year Drawdowns: 1928-2020

Losses	% of Years
5% or Worse	94%
10% or Worse	63%
20% or Worse	26%
30% or Worse	10%
40% or Worse	5%

Put differently:



And while there are still three weeks until we turn the page on 2020 (**HOORAY!**), the tremendous swing we have experienced since the above-mentioned huge losses in March to the 15.5% gain through yesterday will likely make history as the largest stock market intra-year reversal *in history*. Did anyone see this coming?

Most of us continue to reel from and deal with a myriad of COVID-19-related challenges, but at Towerpoint Wealth we feel the light of optimism at the end of the tunnel is getting brighter, and anticipate:

- A measured return to a post-pandemic normal by mid-2021, due largely to Pfizer, Moderna, and AstraZeneca's vaccines that offer up to 95% protection against COVID-19
- With recounts and litigation options virtually exhausted, election uncertainty finally drawing to a close
- The Fed's unwavering commitment to keeping interest rates extremely low, and being extremely "accommodative" to stimulating economic growth
- The slowly brightening prospect of additional fiscal stimulus from Congress
- A surge in construction and demand for residential real estate
- According to Goldman Sachs, global GDP is expected to grow by **5.3%**, and unemployment is expected to decline by **5.3%**, in 2021



In summary, while things certainly feel and look bleak right now, there are many reasons for cautious optimism heading into next year. To quote A Wealth of Common Sense:

The stock market can look like a raging lunatic in the short-term but that doesn't mean you have to invest like a raging lunatic as well.

...not panicking, even when stocks are down big, remains one of the best investment strategies on the planet.

What's Happening at TPW?

Please help us welcome our new *Client Service Specialist*, Michelle Venezia! We feel fortunate to add Michelle to our Towerpoint Wealth family, as she brings over 30 years of wealth management industry and operations experience to TPW. Our *President*, Joseph Eschleman, *Director of Operations*, Lori Heppner, and *Director of Research and Analytics*, Nathan Billigmeier, are all keenly aware of Michelle's skills and experience, having worked side-by-side with her for a number of years at Wells Fargo Advisors.

Michelle is a huge Denver Broncos fan, and enjoys traveling and wine tasting when not spending time at home with her two "fur babies," Sissy and Mr. Blue. Please call (916-405-9140) or email her (mvenezia@towerpointwealth.com) with any service-related questions or needs, or simply to offer her a warm TPW welcome!



Michelle's official signing day!



Lori and Michelle, deeply involved in a training session.



Decorating the office for the holidays!



TPW Service Highlight – Cash Management Consulting

Holding cash provides safety, stability, and liquidity / immediate availability (a.k.a. "dry powder"), or in other words, *peace of mind*. On the other hand, in today's ultra-low interest rate environment, holding too much cash can be extremely unproductive, as most banks and credit unions are paying next-to-nothing in interest to account holders.



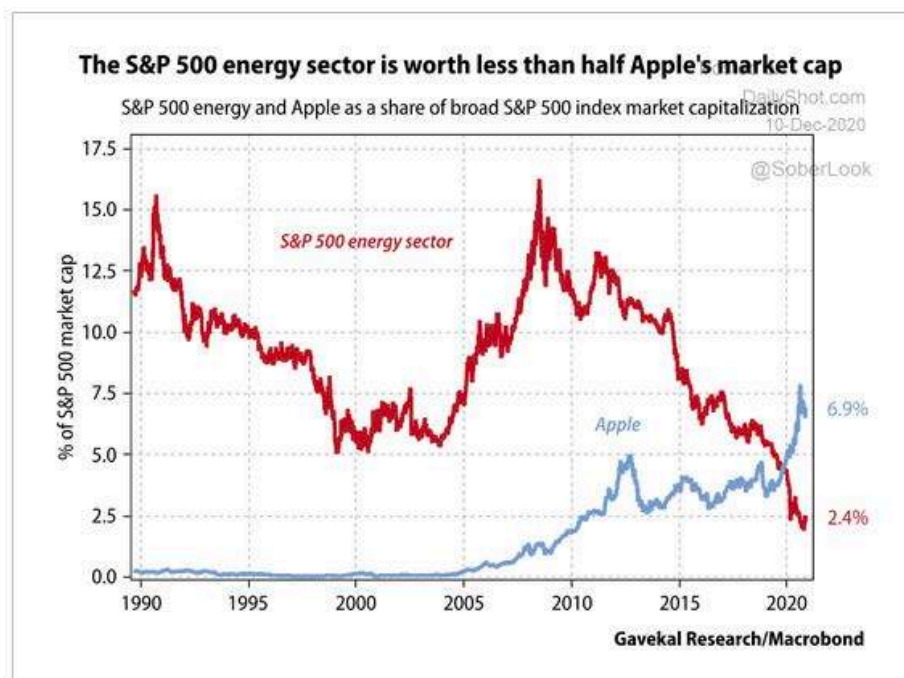
Towerpoint Wealth can help you make intelligent decisions regarding holding and managing your cash balances, working to maximize the interest you are receiving, while aiming to maintain the benefit of the "emergency blanket" that cash provides. In addition to providing clients with customized due diligence on the highest yielding local and national checking, savings, and money market accounts (and CD rates), we also leverage partners such as MaxMyInterest and Reich and Tang, as well as help clients evaluate cash equivalent exchange traded fund (ETF) strategies such as PIMCO's MINT and First Trust's FTSM. All of these can potentially put consistent additional interest into your pocket. Reach out to us by clicking [HERE](#) to discuss your circumstances further.

Investment return and principal value will fluctuate with most cash equivalent strategies, so fund shares may be worth more or less than their original cost when sold. Past performance is no guarantee of future results, and most cash equivalent strategies are not FDIC insured.

Chart of the Week

Despite the ugly-sounding acronym, FAANG stocks (Facebook, Apple, Amazon, Netflix, Google) have earned significant attention this year - understandable, considering their performance has had a substantial influence on the overall return of the stock market in 2020.

The chart below is a microcosm of this FAANG influence - Apple's \$2.1 trillion market capitalization (a common measure of the size of a company) is more than double the size of the "market cap" of the *entire energy sector!*



Source: [Gavekal](#)

Trending Today

In addition to history making and money making, a number of trending and notable events have occurred over the past few weeks:

- FDA panel endorses emergency authorization for Pfizer COVID-19 vaccination
- Brexit trade talks continue unsuccessfully as the clock ticks toward the deadline for a deal
- Starship SN8, SpaceX's latest prototype rocket, launched and reached its highest altitude ever, but ended up a massive fireball when the spaceship attempted to land

- William Shakespeare was among the first UK citizens to receive a COVID-19 vaccination, as the vaccine begins its rollout across the pond
- Amidst the pandemic pushing more shoppers to stay home, Black Friday online sales surged nearly 22% this year
- President-elect Biden has been naming cabinet officials and advisers - here's who has been named so far
- A fresh rocket attack in Iraq wounds American military personnel and Iraqi troops, deepening tensions between the US and Iran

As always, we sincerely value our relationships and partnerships with you, as well as your trust and confidence in us here at Towerpoint Wealth. We encourage you to reach out to us at any time (916-405-9140, info@towerpointwealth.com) with any questions, concerns, or needs you may have. The world continues to be an extremely complicated place, and we are here to help you properly plan for and make sense of it.

- Joseph, Jonathan, Steve, Lori, Nathan, Matt, and Michelle



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Towerpoint Wealth Original Content

TOWERPOINT FINANCIAL PLANNING CHECKLIST

THE YEAR-END FINANCIAL PLANNING CHECKLIST FOR YOUNG PROFESSIONALS

There is no denying it, and the math doesn't support it — the earlier you get your financial affairs in order and leverage the benefits of compounding, the more financial peace of mind and economic opportunity you will have in the future.

While virtually everyone is aware of this truth, many young professionals do not exhibit the discipline to build their savings accounts and act on it. In the interest of making this a simpler for you, we have assembled a checklist highlighting key areas for your focus to help you conduct a straightforward personal year-end financial review.

This checklist is not only intended to provide you a great opportunity to reflect on what you have accomplished financially throughout the year, but also afford you a simplified platform from which to create meaningful and tangible financial goals for the upcoming year.

HERE ARE PROFINANCIAL PLANNING GOALS FOR YOUNG PROFESSIONALS TO GET THE NUMBERS WORKING IN THEIR FAVOR:

- Establish Sensible Spending and Saving Habits**
Those who master the simple concept of "spending less than you earn and investing the excess" (read: 2020 goal: 2021) have the potential to aggressively build long-term wealth. We feel that Albert Einstein said it best: "Compound interest is the eighth wonder of the world. He who understands it, earns it. He who doesn't, pays it."
- Execute Essential Legal Documents**

Consult with a financial advisor or insurance professional to review your current financial policies to ensure they cover the current status of your assets, as well as reflect any changes that have occurred within your family and your wealth transition plan.

- Check Your Credit Report**
It is wise to request and check your credit report at least once a year to track your current creditworthiness, and ensure your credit card and lenders are reporting accurate information about your financial activities. Having a bad credit score may make the difference in receiving a lower interest rate.

Towerpoint Wealth 2020 Estate Planning Checklist

Dec 11, 2020

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COVID-19 Resources and Information

First Trust COVID-19 TRACKER

Daily Reported New Positive COVID-19 Tests vs. Daily Reported Deaths with COVID-19 in the U.S.

Total Deaths and COVID-19 Deaths in the U.S. by Age Group

Total Excess Deaths by Age Group

U.S. Weekly COVID-19 Case Fatality Rate

COVID-19 Tracker - 12.9.2020

Dec 11, 2020

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Allianz

How to prioritize business reopening

Recognize risk factors

- > Large groups of people close together
- > Lots of talking, singing, co-mingling
- > High throughput / touch interactions
- > Groups with mixed backgrounds (i.e. socioeconomic, geographic, etc.)
- > Being indoors
- > Duration of time (hours vs. minutes)

Analyze a streamlined risk-based approach

- > Prioritize reopening based on econ value vs. the risk of spreading infection
- > Offer support to companies & work in "low value / high risk" industries
- > Scale openings and closures based how much virus is in the community

Businesses need to reopen so people can get back to work
But the virus has to be contained to prevent unnecessary deaths and support customer demand

How to Prioritize Business Reopening

Dec 11, 2020

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Towerpoint Wealth Articles of Interest



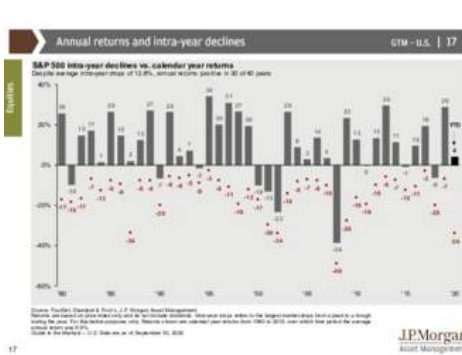
"Welcome to Texas!": Musk's California Departure Stokes t...

Long before Elon Musk, the Tesla magnate and billionaire Californian, announced that he was moving to Texas, Marie Bailey, a California transplant now living north of Dallas, fastened a C...

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Towerpoint Wealth Investment Education



Stock Market Annual Returns and Intra-Year Declines

Dec 11, 2020

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