

## SEPTEMBER 2021 MARKET COMMENTARY

The broad domestic equity markets continued their march higher in August ending the month with the broad Standard and Poor's 500 Index up 20.4% for this year. More value oriented cyclical stocks (financials, energy, real estate and telecoms), which are historically more interest rate sensitive, are leading the way. With rates continuing to sit at historic lows, the search for yield remains difficult for fixed income investors. The broad Barclay's Aggregate Bond Index sits down 0.7% for this year. We continue to look to more credit and less interest rate sensitive areas of the fixed income market which have not only produced higher rates of income this year, but positive total return for investors.



We continue to monitor economic data. While data is mixed, as are the markets' reactions to economic data, the economy is continuing to expand, and the recovery continues. While the Fed continues to currently believes inflation will be transitory, we are monitoring the situation closely. Though data is mixed, the economy remains in recovery and while liquidity remains ample the Federal Reserve bank continues to hold their easy monetary policies creating a tailwind behind equity markets.

While we anticipate some volatility in the Fall as markets digest new economic and COVID-19 data, we remind clients that market timing involves being right not once, but twice, and often proves to be a fool's errand. As financial planners, we create financial plans and strategies for clients for the long term. With that said, while there is the chance for a choppy market through the remainder of the year, the economy is strengthening—there is record liquidity in the system, strong GDP growth, and strong personal income and consumption. There's also considerable pent-up demand in certain areas of the market, and manufacturing is strong. For clients who are saving, or have some cash on the side lines, we will continue to dollar cost average into the markets and try to take advantage of any short-term weakness should opportunities present themselves.

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**A HIGHTOWER WEALTH MANAGEMENT PRACTICE**

**310 PASSAIC AVENUE, SUITE 203, FAIRFIELD, NJ 07004**  
**505 FIFTH AVENUE, 4TH FLOOR, NEW YORK, NY 10017**  
**973-582-1000**  
[WWW.FINANCIALPRINCIPLES.COM](http://WWW.FINANCIALPRINCIPLES.COM)

**FOCUSED ON YOUR FINANCIAL INDEPENDENCE**



**Bradley H. Bofford, CLU<sup>®</sup>, ChFC<sup>®</sup>, CFP<sup>®</sup>**

Managing Director, Partner  
973-582-1002  
[bbofford@hightoweradvisors.com](mailto:bbofford@hightoweradvisors.com)



**Michael Flower, CFP<sup>®</sup>**  
Managing Director, Partner

973-582-1004  
[mflower@hightoweradvisors.com](mailto:mflower@hightoweradvisors.com)



**Daniel Trout**  
Partner

973-582-1006  
[dtrout@hightoweradvisors.com](mailto:dtrout@hightoweradvisors.com)



**Steven Gelber, AIF<sup>®</sup>**  
Associate Wealth Advisor

973-582-1015  
[sgelber@hightoweradvisors.com](mailto:sgelber@hightoweradvisors.com)



**Andrew Olivier, CFP<sup>®</sup>**  
Associate Wealth Advisor

973-582-1005  
[aolivier@hightoweradvisors.com](mailto:aolivier@hightoweradvisors.com)

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Data sources: Economic: Based on data from U.S. Bureau of Labor Statistics (unemployment, inflation); U.S. Department of Commerce (GDP, corporate profits, retail sales, housing); S&P/Case-Shiller 20-City Composite Index (home prices); Institute for Supply Management (manufacturing/services). Performance: Based on FactSet data. News items are based on reports from multiple commonly available international news sources (i.e. wire services) and are independently verified when necessary with secondary sources such as government agencies, corporate press releases, or trade organizations.