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FINANCIAL MARKET UPDATE

Having a plan will guide us to the spring.

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As if there wasn't already enough to be concerned about as we close out fall and head for winter, the stock market has now started to show some of the volatility that we would have expected to see, given the environment that we find ourselves in. But why now?

There are a couple of new pieces of information, and while they are not surprising in and of themselves, they are additional pieces of straw for the proverbial camel. On Tuesday, we saw Germany and France increase the restrictions on business operations and social movement within their countries, with France

returning to some of the toughest restrictions seen since this past spring. This is a direct reaction to the increases in COVID-19 cases in these countries and a precursor to additional shutdowns and restrictions most likely to occur soon on the rest of the European continent. Italy and Spain, as well as the United Kingdom, are seeing rapidly rising cases and it is very likely that they will follow France and Germany with tighter lock downs of their own. But why are we following what is going on in Europe? Because we live in a global economy.

Historically, the United States does not import the troubles of the rest of the world. We consume a strong majority of the goods and services that we produce and are not reliant on the rest of the world for our economic stability. We do, however, need stability in the world today for the market to continue with reduced volatility. The stock market is built on two functions: performance and sentiment. When investors make decision with their money, it is generated by the performance of a company or sector of the economy, as well as by their sentiment of the potential direction of those same companies and sectors. If a company performs well and meets or exceeds expectations, but everyone is concerned that it is a bad time to invest, they will still sell instead of buy, and the

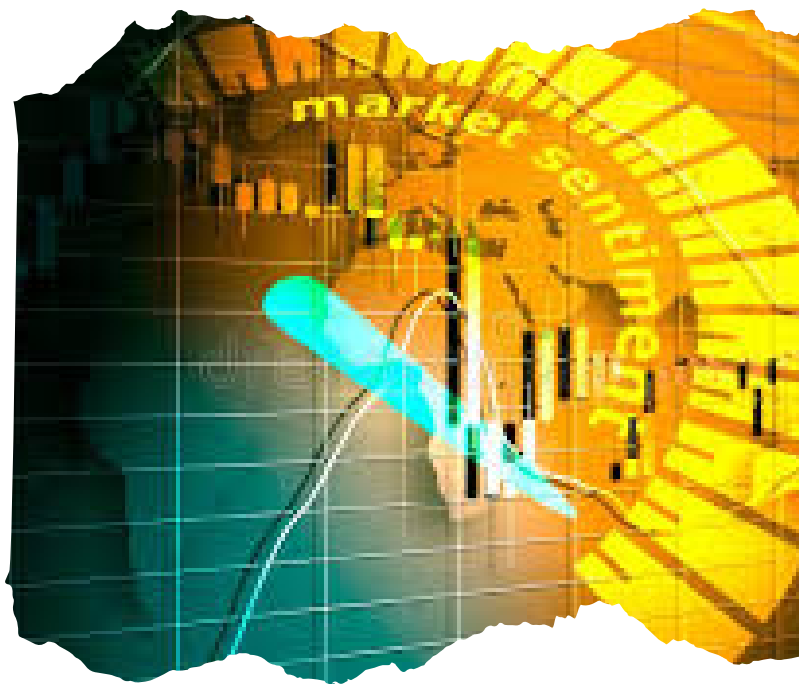


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market is simply a function of buys and sells. It rises when there are more buyers than sellers and falls when the reverse is true.

While we close out the fall and head towards winter, it is the sentiment on the world's ability to deal with the resurgence of COVID-19 that we need to watch, more so than the performance of companies. With all the uncertainty, one of the things we do know is COVID is not going away anytime soon. This is going to continue to be a part of our world through the winter and very likely into the spring and possibly summer of 2021.



In the coming days, we also will finally start the process of deciding this election. The sentiment on the prospect of additional stimulus now rests on the outcome of the election. It is thought that if there is a Biden victory, we won't see any additional stimulus until after his inauguration; if Trump wins, we will get stimulus sooner, but at a lower level. The outcome of the election is also waning on the sentiment of investors. Neither candidate is likely to spur huge gains in the near term, should they win.

Bottom line, our financial planning process works. The plan that we have in place with you will work, but it only continues to work if we stick with it. Should you have doubts as to the performance of the market and its impact on your financial future, please reach out and set up a time to talk with your primary advisor here at Midwest Financial Group. Understanding how we are positioned to head into the start of 2021 will provide you the comfort and security that you need to be able to turn off the media and focus on that which really matters. Holiday seasons are stressful enough, and 2020 has already added to that stress and worry. Don't let politics and the market give you undue additional stress. Let us know what questions we can answer and start November knowing that with a comprehensive financial plan in place, the rest is just noise.

Take care,

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