# Our View

With The Hegarty Beattie Group

February 2021 EDITION

## What a January!

What a month January has been! We have a new President, who is now the 46th in fact. We have had an inauguration without an inaugural ball. When I was attending the George Washington University, everyone would look forward to the inaugural ball, gazing at what gowns would be worn and who was actually in attendance. Watching the inauguration on T.V. this year seemed so strange, new and solemn...with no one around. The only people around were the performers singing to a T.V. camera and those producing the broadcast.

It seems now that all the drama is over people are getting back to their life as usual, finding new focus other than the election and what each side believes may transpire.

So what is next? It is important as a Financial Advisor that I let our clients know my thoughts on the market ahead, since this is what I do every day. Lately, I am getting messages from friends asking if they should sell ahead of the elections, or should they sell now that the markets are at all-time highs, or should they sell now that we have a blue sweep? All of their questions are surrounded by the emotions of fear and uncertainty. What most really want to know is, "does what we currently feel match the future for 2021 and the markets?" The phrase I love to use is "the markets climb the wall of worry." I do not own a crystal ball… but with that said the Wells Fargo Investment Institute just announced updated guidance for stronger growth in 2021.

So in my opinion, overall the news is GOOD!

I do predict mildly higher inflation on the horizon due to the flood of money into the economy directly into the hands of the consumer. That is always a good thing since we know people generally like to spend. Those who seem to have extra cash may also invest more. Both habits may push markets higher overall and create more demand for products and more demand for stocks, since bonds are not providing much of a yield as in the past. Interest rates are on the rise little by little. When interest rates rise, bond prices fall. So people may move into more stocks with moderate dividends that they think will give them more yield that bonds are offering.

From where I sit today, I am favorable long-term on the global investment outlook. Be mindful of the quality of investments you choose. That is my big warning. Remember to stay invested for the long-term. Fear will usually derail your best efforts, so stay strong, stay invested.


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If you have any questions, please feel free to call us a call to discuss your personal situation. We are able to offer a portfolio review for you, your friends or family should they have concerns.

Again, please remember that we may have more volatility this year. On average, the intra-year market decline from top to bottom is around 14%* so I suggest taking a structured approach to investing new money as well as a structured approach to your current allocation. History shows that if you want to build wealth over time, you want to stay properly invested. With rising inflation on the horizon, getting properly invested is the best way to combat the demise of your dollar's value.

Have a day that makes you smile!

Ellen Stewart

## 2021 Equity Sector Outlook: Investing in a New Normal

A number of themes will likely affect equity sector performance in 2021, including:

- A continuing global pandemic
- If, how, and when additional monetary and fiscal stimulus policies are implemented
- Potential political gridlock

In the 2021 Equity Sector Outlook, you can find our Advice & Research Equity Sector Analyst team's views on current themes they're seeing in each equity sector and their outlook for 2021 - including actionable advice for sector positioning.

***If you would like to receive this report, please let us know at 1-888-246-7564 or email us at hegarty-beattiegroup@wfadvisors.com***

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