



INVESTMENT  
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## M3 FINANCIAL PULSE JUNE 2020

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### THE MONTH IN BRIEF

Stocks rallied in May, sparked by a supportive Federal Reserve, stories of states re-opening, and reported progress on a COVID-19 vaccine.

The Dow Jones Industrial Average rose 4.2%, while the Standard & Poor's 500 Index picked up 4.5%. The NASDAQ Composite led, gaining 6.7%.<sup>1</sup>

1 - The Wall Street Journal, May 31, 2020



### FACT OF THE MONTH

The personal savings rate hit a historic high of **33%** in April. The previous record savings rate was **17.3%** in May of 1975 and it was above **13%** throughout most of the early Seventies.

CNBC, May 29, 2020

S&P 500 Index is an index of 500 of the largest exchange-traded stocks in the US from a broad range of industries whose collective performance mirrors the overall stock market. Investors cannot invest directly in an index. The Dow Jones Industrial Average is a widely watched index of 30 American stocks thought to represent the pulse of the American economy and markets. Investors cannot invest directly in an index.

The NASDAQ is an index that tracks the cumulative results on a market capitalization basis of all stocks trading in the NASDAQ system.

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### SHOULD YOU CARE WHAT THE FINANCIAL MARKETS DO EACH DAY?\*

Focus on Your Strategy During Turbulent Times.

**Investors are people, and people are often impatient.**

When stocks slip, some investors grow uneasy. Their impulse is to sell, get out, and get back in later. If they give in to that impulse, they may effectively pay a price. In the long run, an investor who glances at a portfolio once per quarter may end up making more progress toward his or her goals than one who anxiously pours over financial websites each day.

**To make market timing work, an investor has to be right twice.** The goal is to sell high, take profits, and buy back in just as the market begins to rally off a bottom. Even Wall Street professionals have a hard time predicting market tops and bottoms. Retail investors are notorious for buying high and selling low.

Investors who alter their strategy in response to the headlines may end up changing it again after further headlines. While they may expect to be on top of things by doing this, their returns may suffer from their emotional and impatient responses. Nobel Laureate economist Gene Fama once commented: "Your money is like soap. The more you handle it, the less you'll have." Wisdom that may benefit your strategy, especially during periods of market volatility.<sup>1</sup>

1- [suredividend.com/best-investment-quotes/](https://suredividend.com/best-investment-quotes/) [12/5/18]



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