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## *Letter from Dan*

Thanks to everyone for your reception to our change to NorthStar Financial Partners, LLC! While the change for you was really quite limited, it is a big change for us in the flexibility to engage in new areas (marketing on the website, social media, additional educational resources) and for our younger advisors to expand their offerings. If you have not had a chance to see the new website, please visit [www.northstarfp.net](http://www.northstarfp.net) to check it out! More will be coming by year end. Also, my email address has changed to [dan@northstarfp.net](mailto:dan@northstarfp.net). Please note the .net instead of .com at the end.

The questions that we get the most these days are “why does the market continue to rise, when everything is so uncertain?” “What will happen after the elections?” “What should we do now?” Here are some answers:

**Why does the market continue to rise, when everything is so uncertain?** Many reasons- hope for a vaccine later this year, government stimulus, consumers spending money, low interest rates, etc. There are a number of companies that are having banner years: Amazon, Apple, Microsoft, Facebook, Google, Visa- the list could go on. People are getting back into investing in the stock market so that they do not miss out on the rebound. The government has pitched in by giving extra money to people out of work, to help pay rents and keep families in the black. In the background, speculators who feel that the markets will drop have been squeezed out of their short positions, forcing them to buy into the markets, contributing to the rise.

In other words, how “uncertain” are things? It is not hard to envision why Amazon, Apple, Facebook and Google are doing well. Try to go out and buy a camper, 4-wheeler or a boat- they are in short supply. It is also easy to understand why Boeing, Marriott, Delta, Carnival and Chevron are struggling. Between COVID 19 and politics, it is understandable why fear is prevalent in society, causing the uncertainty. Let’s try to remove the emotion and fear from investing and see where it leads us. Not easy to do.

**What will happen after the election?** Hopefully we will have elected a President and not have the election contested due to voting mess ups. This is the biggest worry, I think. The stock market will most likely rise if Trump is re-elected, but all is not lost if the Democrat’s sweep Congress, the Senate and the Presidency. If that is the result, we can expect more government spending (most likely in a big way), higher taxes and more regulations for banks. I do not believe that the far left wing politicians will rule the day, but their voices will be heard more than today. Clean energy- solar and electric vehicles will be more affordable- so which companies will benefit and be at the disadvantage? “Uncertainty” will be the word up to Election Day, with clarity also obscured for the next few years afterward as we sort everything out.

**What should we do now?** Try not to let fear rule your days. Try to find something fun to do each day, even if for just a few minutes. Wear a mask, even if we are uncomfortable doing it- to do our part. But what about your money? Most people should “ride it through”, just like we did last spring and in times from the past. If you are receiving income from your portfolio, we take it each month from a stable fund and replenish that fund during higher periods in the market (like now). Some people want to lower their exposure to the stock market now- and I can agree- with the idea of getting back in when the market is lower. Of course, there is no guarantee that the market will be lower when you buy back in, but it seems like there is a market drop coming in the fall. This is called market timing, which is a form of speculation. If this interests you, please call me.

Are we going to have a big crash in the stock market coming in September/October? No, I find it unlikely. Drop in the market- yes, I think so. But crash? Unless there is some new, big bad news, we will be ok. The virus will not take us by surprise. China is not looking to pick a fight right now. We will have an election in November. Some areas and businesses will take a long time to recover. State governments will have fiscal issues. Unemployment should go down, over time.

A speaker suggested that we focus on what is changed for the long haul, and what is a temporary change. Electronic meetings like Zoom will continue to be cost conscious, time saving activities. People who had never ordered things online will continue to shop that way, affecting real estate, retail shopping and helping the companies that adapt. What other things can you think of, that will never be the same? But we will figure out a way to fly, drive our cars and stay at a hotel again. My neighbors across the street cannot wait to get back on a cruise ship! Restaurants will pop up- but they may not be the same owners as before COVID.

My biggest advice today is to leave the national TV news off and try to take in the beauty and good things around you each day. If you have anxiety, see if it is caused from real things, or is it brought on by social media, politics or fear of leaving the house. If we take precautions, we can get out of the house and take some control of our day to day activities. Please call if you have questions, or just wish to talk.

Thanks again, visit our website and Facebook page if you have a chance and enjoy the remainder of the summer!

Dan



### Important Disclosures

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