

NORTHSTAR

FINANCIAL PARTNERS

July, 2021



It was a good quarter for the stock market! Value stocks had started out the year with a bang, but growth stocks had a slow start. May and June changed that, as the NASDAQ was up 9.4%, S&P 500 up over 8% and the Dow Industrials up 4.6%- still a good quarter! It is all part of the reopening of the economy after the pandemic. Even bond yields fell, giving many bond funds a reprieve after a tough start to the year. We are optimistic that the markets shall hold their own to the end of the year.

Market Summary

As of June 30, 2021

S&P 500:	4297.50
Dow Ind.:	34502.51
Nasdaq:	14503.95
10 YR Treas.:	1.45%

One thing that has emerged from the pandemic is that individuals have returned to the stock market. A few years ago, it was estimated that up to 90% of all trades were made by computerized trading. With young investors opening brokerage accounts to try to make a profit on stocks (think Robinhood, Game Stop), retail trades account for about 30% of trades. How will this affect future trading? I think that at the next downturn, these investors will be quicker to respond to try again to take advantage of low markets, lifting stocks more quickly than might otherwise happen. This would be a welcome outcome.

What makes a good life? Here is a video that talks about lessons from the longest study on happiness- a good one for us coming out of our experiences with staying home during the pandemic!

https://www.ted.com/talks/robert_waldinger_what_makes_a_good_life_lessons_from_the_longest_study_on_happiness?referrer=playlist-the_most_popular_talks_of_all#t-712

Need a new summer recipe? Here are some popular ones- yes- we picked the one with bacon in the name for those guys out there....! 😊

<https://www.bonappetit.com/gallery/most-popular-recipes-june-2021>

<https://www.spoonforkbacon.com/the-best-summer-recipes/>

There has been much talk about inflation as shortages of many items, in combination with the reopening of the economy, have sent prices sharply higher. Big increases in everything from groceries, used cars and wood have gotten people to take notice and wonder what the future will bring. Experts will state that the Fed has many tools to stop inflation, so we should not worry. We do have confidence in the Fed, but there is more at work here. First, there is not a big worry for the long term stock market with inflation. But wages are increasing to entice workers to rejoin the workforce, or to change jobs to fill open positions. This could have a long term effect to raise prices on goods to pay for increased business expenses. Workers will then demand higher wages to pay for those goods. We have not seen the wage / price spiral since the 1970's- hopefully there will not be a reprise here in this decade. If inflation persists, it will cause people to work longer, needing to save more to achieve a larger portfolio to generate more income. Hopefully we will see inflation settle back to the low increases of the past decade.

Thank you and take care-



959 34th Ave NW, Rochester, MN 55901

507.281.6650 ✦ Fax 507.281.6884

2303 Waters Drive, Mendota Heights, MN 55120

651.272.3351 ✦ Fax 507.281.6884

www.northstarfp.net

Securities and advisory services offered through Commonwealth Financial Network[®]. Member FINRA/SIPC, a Registered Investment Advisor.

Fixed insurance products and services offered through NorthStar Financial Partners, LLC. 959 34th Ave. NW, Rochester, MN 55901 507-281-6650. Morningstar is the source for any reference to the performance of an index between two specific points. Past performance does not guarantee future results. Indexes are unmanaged and cannot be invested in directly. For index definitions, please see page two. Stock market returns refer to the S&P 500 index. Bond index returns refer to Barclays Aggregate Index. This material is intended for informational/educational purposes only and should not be construed as tax, legal, investment advice, a solicitation, nor a recommendation to buy or sell any security or investment product. Please contact your financial/legal professional for more information specific to your situation.

S&P 500: The Standard & Poor's (S&P) 500 Index tracks the performance of 500 widely held, large-capitalization US stocks. The Barclays US Aggregate Index covers the dollar-denominated investment-grade fixed-rate taxable bond market The Morgan Stanley Capital International Europe, Australia, Far East (MSCI EAFE) Index is a capitalization-weighted index that tracks the total return of common stocks in 21 developed-market countries within Europe, Australia and the Far East. DJIA- A price-weighted average of 30 actively traded blue-chip stocks, primarily industrials including stocks that trade on the New York Stock Exchange Nasdaq- A market-capitalization weighted index of the more than 3,000 common equities listed on the Nasdaq stock exchange