



# WEEKLY MARKET COMMENTARY

For the Week of November 16, 2020

## The Markets

Stocks rose Friday amid upbeat earnings reports and a surge in virus cases. Positive vaccine news helped the Dow and the S&P achieve strong weekly gains. On Monday, Pfizer reported its vaccine proved over 90 percent effective in its trial. For the week, the Dow rose 4.19 percent to close at 29,479.81. The S&P gained 2.21 percent to finish at 3,585.15, and the NASDAQ dropped 0.53 percent to end the week at 11,829.29.

Returns Through 10/13/20	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	4.19	5.37	8.62	10.49	14.04
NASDAQ Composite (TR)	-0.53	32.88	40.78	21.77	20.44
S&P 500 (TR)	2.21	12.77	18.09	13.72	14.40
Barclays US Agg Bond (TR)	-0.14	6.68	7.29	5.27	4.28
MSCI EAFE (TR)	3.89	0.18	3.65	2.92	5.96

Source: Morningstar.com. \*Past performance is no guarantee of future results. Indexes are unmanaged and cannot be invested into directly. Three- and five-year returns are annualized. The Dow Jones Industrials, MSCI EAFE, Barclays US Agg Bond, NASDAQ and S&P, excluding "1 Week" returns, are based on total return, which is a reflection of return to an investor by reinvesting dividends after the deduction of withholding tax. (TR) indicates total return. MSCI EAFE returns stated in U.S. dollars.

**Bad but Not That Bad** — The March 27 CARES Act included \$139 billion of relief for the 50 U.S. states. From Feb. 29 to Aug. 31, the tax revenue collected by all U.S. states was down \$30 billion over the same six-month period from a year earlier. When the CARES Act was being debated in Congress, U.S. governors requested financial support of \$500 billion from lawmakers (source: National Governors Association, BTN Research).

**Many Can't Wait** — An American worker may begin receiving a monthly Social Security retirement benefit as early as age 62, albeit at a reduced level from what is available at one's full retirement age. Just under 50 percent of American blue-collar workers take their retirement benefits at age 62, while only 38 percent of white-collar workers begin their retirement benefits early (source: Center for Financial Security, December 2019, BTN Research).

**Down, But Getting Better** — From a February peak of 158.8 million jobs nationwide, the United States was down 9 million jobs to 149.8 million workers as of the end of October (source: Department of Labor, BTN Research).



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## WEEKLY FOCUS – Maximizing Your Employee Benefits

If you're among the 49 percent of Americans who receive employer-sponsored health care coverage, you may have already received information on your company's open enrollment. In previous years, you might not have taken much time to review your company's options. But the current pandemic underscores the importance of securing the best possible coverage and value.

Even before COVID hit, workers' average single deductible rose to \$1,644 in 2020 – almost double from 10 years ago. And typical annual family premiums under employer-sponsored plans rose 4 percent from 2019 to \$21,342. During the pandemic, many of us have postponed tests, routine care, and procedures. If much of that deferred care is scheduled in 2021, PwC's Health Research Institute projects medical costs could rise as much as 10 percent above pre-coronavirus levels.<sup>1</sup>

Two ways to fund some of these rising costs are a pretax Health Savings Account (HSA) or a Flexible Spending Account (FSA).

To set up an HSA, individuals must have a qualifying high-deductible health plan (HDHP). They control their HSA and may roll contributions over from year to year. To qualify in 2021, an HDHP must have a minimum deductible of \$1,400 for individuals or \$2,800 for families. The maximum limits for out-of-pocket costs are \$7,000 for an individual or \$14,000 for a family.

In 2021, workers with an HDHP can contribute \$3,600 for themselves (plus \$1,000 if they're 55 or older) or \$7,200 for their family. Once enrolled in Medicare Part A or B, individuals can no longer contribute pretax dollars to an HSA.

FSAs are owned by the employer; this means you may forfeit unused contributions if you leave your job. At year's end, unused funds do not automatically carry over. Depending on the policy, an employee forfeits them, has a few-month grace period to use them, or is allowed to carry up to \$550 (for 2021) into the next year. The maximum amount an employee can contribute in 2021 is \$2,750. Medicare recipients may contribute to their employers' FSA.

Need help choosing the best health care options for your family? I'm happy to review these crucial elements of your financial plan with you.

<sup>1</sup> <https://www.cnn.com/2020/11/02/5-things-to-watch-out-for-during-open-enrollment-amid-coronavirus.html>

**Arlon Enmeier, CFP®**  
**Private Wealth Manager**  
**Securities America Advisors, Inc.**  
[www.enmeier.com](http://www.enmeier.com)

241 Avenida Del Mar  
San Clemente, CA 92672  
[Enmeier@SecuritiesAmerica.com](mailto:Enmeier@SecuritiesAmerica.com)

(949) 276-6333 or (877) 915-7444  
Fax (949) 276-6334

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\*The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. The Dow Jones Industrial Average is a price-weighted index of 30 actively traded blue-chip stocks. NASDAQ Composite Index is an unmanaged, market-weighted index of all over-the-counter common stocks traded on the National Association of Securities Dealers Automated Quotation System. The Morgan Stanley Capital International Europe, Australia and Far East Index (MSCI EAFE Index) is a widely recognized benchmark of non-U.S. stock markets. It is an unmanaged index composed of a sample of companies representative of the market structure of 20 European and Pacific Basin countries and includes reinvestment of all dividends. Barclays Capital Aggregate Bond Index is an unmanaged index comprised of U.S. investment-grade, fixed-rate bond market securities, including government, government agency, corporate and mortgage-backed securities between one and 10 years. Written by Securities America, Copyright November 2020. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI# 3332238.1