Newsletter

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Your financial peace of mind is our highest priority

Gary Lee Yeck
08/28/1944 - 07/08/2021

It is with great sadness that we announce the death of our colleague, Gary Yeck. After suffering numerous health complications initially caused by a stroke, Gary passed peacefully into God's nearer presence with his family at his side. Gary was a much-loved friend, co-worker and business partner. He provided outstanding advice and guidance to his clientele during his distinguished 50 plus year career. The entire Council Oak team benefited from his wisdom, experience, compassion and self-deprecating humor. His wit and kindness will be missed by all. Even as we mourn his passing, we are forever grateful that he lived.

Market Update with Nate Lovelle, CFA®

In honor of Gary Yeck, the best momentum stock buyer that I've met in my career, let's see what did well the first half of the year!

The reopening, cyclical, value, inflationary, and dividend trades proved to be the most profitable. Energy did the best at 45.6%, financials were up 25.6%, and real estate was up 23.3%. Those sectors were the worst performers during COVID last year, so it makes sense they are rebounding well. We have positioned most portfolios to participate in this cyclical reopening improvement. Of late, with the Delta COVID variant increasingly causing issues, the stocks that did well during COVID have improved at the expense of the reopening sectors. This is a story that can go on for a long time…that is, reopening stocks do well every time COVID numbers decline, and decline every time COVID numbers increase. For now, all we can do is rely on facts (imagine that). The Wall Street Journal published an article on July 15 that said 99% of all hospitalizations for COVID-19 are among unvaccinated people. New studies from the U.K. and Canada show up to 87% vaccine effectiveness against symptomatic infection with the Delta variant. Though controversial, the stock market case is clear to my analytical mind. If national vaccination numbers stay near 50%, we may continue to have these situations where COVID numbers spike, and the economy and the market take a dip - hopefully temporarily!

Our largest concern for retired investors continues to be inflation. Though the Federal Reserve is staying with their opinion that inflation is temporary, we remain on edge about the havoc that inflation can have on long-term retirement scenarios. The only way to historically deal with inflation is to remain invested in sectors that benefit from inflationary pressures. Those include financials, commodity-based stocks, industrials, and stocks that have long secular growth trends ahead of them.

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