

# **September Goes Out Like a Lion, and October Arrives Like a Lamb**

**October 11<sup>th</sup>, 2021**

**By Bob Deitrick, CEO of Polaris Financial Partners, LLC**

**September was an ugly month for the market, but by historical standards September was pretty much what we expected. September has always been a drag on the market and 2021 was no different. The S&P 500 was down 4.85% for the month;<sup>1</sup> albeit we are still up handsomely for the year – so far. We empathize with those of you who may be feeling a bit nervous after a few of the erratic days we had in September, but in 12 months, I suspect, this will be forgotten, and it will appear as nothing more than an anomaly.**

**Is the glass  $\frac{3}{4}$  full or  $\frac{1}{4}$  empty? That remains the long-term question. Despite a weaker than expected jobs numbers this morning,<sup>2</sup> we believe the glass remains primarily full. Are inflationary pressures a sign of greater pent-up post-pandemic demand or is this a return to stagflation of the early 1980's? Does the turmoil over an infrastructure deal get worse or does it get resolved this year as it needs to? Is the rise in interest rates a deal breaker or is it a necessity that helps the banks and other businesses or does it hurt homeowners?**

**The fact that cyclical stocks performed well in September signals to us economic resilience is strong. People are exhausted with Covid, but we believe Covid may be finally coming to an end this winter as herd immunity and vaccinations take over. Covid may remain endemic, but it is unlikely to be the paralyzing force it has been over the past 18 months.**

**Steven and I believe that there are several reasons investors should be positive about the market following the recent rough patch Wall Street had in September. After several weeks of instability, where every rally turned into a trap, people were rightfully concerned. When there is confusion, the natural inclination is to sell. This Wednesday, however, we had a good sign as the market opened down, considerably, then rallied to a nice close by the end of that day. All three major U.S. equity indexes ended up closing in positive territory and this shows the resilience in this market - 12 years into this bull cycle.**

**We believe the thesis continues to be that this bull market remains intact, and nothing's changed for the worse; therefore, it's time to hold to your conviction. When the market is down, like September, we look at the opportunity, not the negatives. Stocks changed direction this Wednesday when it was reported Senate Minority Leader Mitch McConnell told fellow Republicans in a closed meeting he would offer a short-term debt ceiling extension. A deal was finalized yesterday, and the market rallied on that news with the DOW closing up ~ 338 points and all the major indices closing ~ 1.0%.<sup>3</sup>**

**Sentiment was also bolstered this week by comments from Energy Secretary Granholm, who indicated that Biden is considering tapping into the country's strategic oil reserve to help tame**

*gas prices.<sup>4</sup> Man-made problems, such as the debt ceiling were a considerable drag on the market in September and while man-made problems are frustrating, they are easy to solve when politicians have their feet to the fire. The GOP agreed this week to allow the nation's debt to be raised until December.*

*Our perception at this moment is that we are on the cusp of closing out one of the most seasonally difficult components of the year, Covid is on the mend as hospitalizations have come down in September, and the regions that were hardest hit by the Covid Delta variant have recently seen some of the best business growth in the country. These are reasons to buy, not sell. Steven and I continue to believe in this market. We at PFP have always been and continue to be long term investors. We recommend staying the course; however, we will make course corrections as they are warranted later this year. We believe this could be another nice year which would be extraordinary after the last two we enjoyed in 2019 and 2020.*

*Please do not forget to RSVP to Steven for our events this fall. We will get a formal invite out to you soon. Steven and I look forward to seeing you in November and December!*

- *Our year end market seminars will be held on Tuesday evening, November 9th - dinner at Eddie's at 6:00 p.m. and Friday November 12th a luncheon at Eddie Merlot's at 12:15.*
- *Eddie Merlot's will become The Polaris Financial Sports Bar once again for the Ohio State-Michigan Game on Saturday November 27th at noon for what we suspect will be another romp over Jimmy Harbaugh.*
- *Our PFP Annual Christmas Celebration returns on Sunday, December 12<sup>th</sup> starting at 5:00 p.m. at Eddie Merlot's. Santa will be present, and we have a terrific soloist we are flying in from Dublin Ireland, Cuan Durkin, who will be performing for you that evening as well! Cuan may be the next Dean Martin. Our theme for 2021 will be a Classic Christmas with all the Trimmings. Each family will receive an 8-pound boned-in Honey Baked<sup>®</sup> Ham to take home for the holidays as well! Have a great weekend!*

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Footnotes:

- 1) Source: [finance.yahoo.com](https://finance.yahoo.com)
- 2) Source: <https://www.bls.gov/news.release/empsit.nr0.htm>
- 3) Source: [finance.yahoo.com](https://finance.yahoo.com)
- 4) Source: <https://www.foxbusiness.com/markets/us-emergency-oil-reserves-lower-gas-prices-granholm>