



**SINCE 1976**

3707 West Maple  
Road Bloomfield  
Hills, MI 48301

248.644.2701  
www.GJSCO.com

## **MARKET COMMENTARY**

**January 1, 2021**

Happy New Year!

Cautious optimism began to emerge in December, as Pfizer and Moderna received government approval of their vaccines. The COVID-19 virus has been both a global disruptor and accelerator of social, political and economic events. From an increased reliance on technology, to migration out of urban areas, the world is adjusting to a “new normal,” that may endure.

Stock market indices reached all-time highs, which seemed nearly impossible last spring. The March 23<sup>rd</sup> announcement by the Federal Reserve stating that it would purchase an unlimited amount of government securities proved to be the defining moment in an unprecedented market meltdown. This action, combined with the reopening of key lending facilities used in 2008 and 2009, put a permanent floor in the markets, which did not experience a retest.

Value stocks rebounded toward the end of the year, as anticipation of widespread vaccine distribution boosted hopes of higher earnings in economically sensitive companies. Growth stocks have outpaced value stocks by double digits over the past few years. The Russell 2000 small cap average soared as well. Patient investors were finally rewarded as the smaller companies’ prospects for continued growth appeared likely.

The Dow Jones Industrial Average closed at 30,606.48, an increase of 7.2% for the year. The S&P 500 ended at 3,756.07, up 16.3%. The NASDAQ soared 43.6%, closing the year at 12,888.28. The Russell 2000 small cap index ended the year with an annual return of 18.4%, resting at 1,974.86. The Barclay’s Aggregate Bond Index closed up 7.5%. In all, an unexpected fine year for the capital markets.

Thank you very much for your patience and trust during these turbulent times. We wish you and your family the very best in 2021. May you find peace, health and happiness.

David R. Breuhan  
Vice President