



COOK CAPITAL MANAGEMENT
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Greetings,

Through the end of the third quarter, stocks have had a good year. The S&P 500 stock index is up 15.9%, so far this year. The third quarter started great but was hampered by a tough month of September that saw the S&P 500 index drop 4.7%

The good news is that Americans are in a good financial position and have continued to support the economy. The bad news is that the ups and downs of COVID throughout the world have made it difficult to make the things that people want to buy. When people can't get the things they want to buy, inflation typically increases. This scenario also raises questions about companies will be prepared for the upcoming holiday season.

Over the pandemic, the Federal Reserve has taken steps to help the economy through a tough time. They've recently indicated that they will likely start to reverse those steps in the coming months. This would indicate confidence in the US economy, but some investors are concerned that it is too early and that the stock market was too optimistic so far this year.

Any combination of these factors may have been the reason for the September pullback and returns for the market for the rest of the year is anyone's guess. Over the next five or ten years, though, we expect stocks to perform well as they have throughout history. If markets continue to decline in the near future, Cook Capital will invest to take advantage of an eventual recovery. If markets reverse course and return to growth, our current holdings should benefit over the long haul, as well.

Please reach out at any time with any joys or concerns.

"I make no attempt to forecast the market—my efforts are devoted to finding undervalued securities."

Warren Buffett

Regards,

BJ Cook