Fidelity Viewpoints®: Market Sense

The latest headlines, the current market conditions, and what it all means for you.
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Views and opinions expressed in this webcast are those of the speakers. This discussion is for educational purposes and should not be considered investment advice.
Our Speakers

Host

Jim Armstrong  
Marketing Director, Fidelity Investments
Jim Armstrong is a marketing director in Fidelity’s Personal Investing division. In this position, he creates educational content for workplace participants to help with retirement planning and other financial wellness topics. Formerly, Jim distinguished himself as an Emmy-winning journalist, spending 17 years as a television reporter for network affiliates around the country.

Special guest panelists

Denise Chisholm  
Sector Strategist, Fidelity Investments
Denise Chisholm is a sector strategist in the Equity and High Income division at Fidelity Investments. In this role, Denise is responsible for the research of portfolio construction strategies combining sector-based mutual funds and exchange-traded funds (ETFs). Prior to assuming her current responsibilities in April 2013, Denise held multiple roles within Fidelity, including research analyst on the megacap research team, research analyst on the international team, and sector specialist.

Ashley Tran  
Team Leader, Investment Solutions, Fidelity Investments
Ashley Tran leads a team of professionals who provide investment planning and advice to Fidelity customers by cultivating relationships to define customer needs and guide investment strategies through Fidelity’s tools and solutions. Throughout her career, Ashley has found success through building relationships, not just building sales or building assets. Now, she leads, coaches, and develops a team to drive exceptional customer experiences and build lifetime relationships with our customers through financial planning and investment guidance.
Wages Are Growing Faster than during the Recovery from the Great Recession

Nominal wages, 2003–present ($Trillions)

If History Is a Guide, Positive Earnings Surprises May Continue

Historical odds of earnings surprises continuing from top and bottom quartiles, 1992–present

Quarters after earnings surprises reached top or bottom quartiles

Past performance is no guarantee of future results. Q: quarter. Horizontal axis denotes the number of quarters after earnings surprises fell within either the top or bottom historical quartile. Analysis based on S&P 500 returns. Source: Haver Analytics, FactSet, Fidelity Investments, as of 5/31/21.
Investing by Business Cycle

The typical business cycle shown above is a hypothetical illustration. There is not always a chronological progression in this order, and there have been cycles when the economy has skipped a phase or retraced an earlier one. See disclosures for additional information.

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<th>RECESSON</th>
<th>LATE Growth rate slows to stall speed</th>
<th>MID Positive, but moderating growth</th>
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- Consumers Discretionary
- Financials
- Industrials
- Information Technology
- Materials
- Real Estate

- Energy
- Health Care
- Utilities

Underperform U.S. equity market
Outperform U.S. equity market
Energy’s Capital Spending Is Low, and Its Free Cash Flow Is High

Past performance is no guarantee of future results. Source: Haver Analytics, FactSet, Fidelity Investments, as of 5/31/21.
Discretionary Has Outperformed amid Strong Wage Growth, While Staples Has Lagged

Consumer discretionary and consumer staples historical odds of outperformance, 1962–present
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In general, the bond market is volatile, and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities). Fixed-income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. Lower-quality fixed-income securities involve greater risk of default or price changes due to potential changes in the credit quality of the issuer. Foreign investments involve greater risks than U.S. investments, and can decline significantly in response to adverse issuer, political, regulatory, market, and economic risks. Any fixed-income security sold or redeemed prior to maturity may be subject to loss. Because of their narrow focus, sector investments tend to be more volatile than investments that diversify across many sectors and companies. 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