



Basis Points – January 4, 2021

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Above the Fold

S&P 500 Outpaces the Nasdaq and Dow by Widest Margin in Nearly a Quarter Century

The S&P 500 is a large, highly diverse group of big companies spread across a myriad of industries, making it a choice barometer for the general health of the stock market and a commonly quoted index by the pros. Because the index is so balanced, it rarely beats the narrow 30-stock Dow Jones Industrial Average or the tech-heavy Nasdaq. Aside from 2021, it's only occurred five times in previous history — in 1984, 1989, 1997, 2004 and 2005.

The broad-based index clocked in a nearly 27% gain last year, which was an impressive run to say the least. But if history is any indication of what's in store, some experts see a continuation of the rally. According to Dow Jones Market Data and the Stock Trader's Almanac, the year following

a +20% rise in the index has averaged an additional 7.7% in gains. Big rallies, like what we saw in 2021, also tend to lead to positive gains the following year. This has occurred 70% of the time, going back to 1934. At Westwood, we believe that 2022 will not only be a year of increased uncertainty, but also one where equities (S&P 500) should still deliver high, single-digit returns. It's a good idea to get with your financial professional and ensure that your portfolio is best adjusted for the changing trends (like inflation) that are evolving into the new year.

Three Things

1. *Paris Hilton Invites Complete Strangers to Her New Private Island* – The reality TV star and businesswoman is launching a new virtual island called Paris World in the metaverse. Roblox users can now tour her luxury island in a high-end car, yachts or on foot. And the new property, which only exists digitally, is likely to rake in big bucks selling online purchases like virtual swag, clothing and even jet ski bookings. Ms. Hilton will occasionally make virtual appearances as well, DJing special events like the one held over New Year's Eve.
2. *Packaging Company Making Big Bet on Paper Renaissance* – Graphic Packaging Holding Co. (NYSE:GPK) believes that it can help shift consumers away from wasteful plastic packaging products like foam cups, six-pack rings and those plastic to-go containers. The company is investing \$600 million in new paperboard construction machinery and techniques. Some of the existing equipment used by GPK and competitors is 100 years old! Challenges still remain, and corporate/consumer uptake and acceptance will be critical.
3. *NFTs Coming to a TV Near You* – Samsung realizes that consumers are not only excited about NFTs (non-fungible tokens), but also want a more centralized means of buying, selling and displaying them. The company plans to [launch](#) the first TV-screen-based NFT explorer and aggregator. The new software will allow you to browse, trade and obviously show off your digital art. Users will also be able to review an NFT's history and blockchain metadata, all while the television automatically adjusts the picture colors, brightness and tones to ensure the digital art is viewed EXACTLY as the creator intended.

Did You Know?

This Common New Year's Resolution Used to Be Considered Torture

After all the gatherings and dinner parties, many Americans make it a point to eat a little healthier and join a gym in the New Year. And hey, science does tell us that a balanced diet and exercise are a good thing. But some of the devices used at your local fitness center had much darker origins. The ever-popular treadmill was actually invented in the 18th century. What was more like an evil Victorian stairmaster, prisoners in America and Britain were forced to walk a series of never-ending stairs, which were attached to a wheel, for hours on end. Its inventor thought the labor would "reform stubborn and idle convicts."

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