



# *Soundings*

What's New - February 2026

Quote of the month:

*"Now and then it's good to pause in our pursuit of happiness and just be happy."*

Guillaume Apollinaire

"Don't worry, be happy" sang Bobby McFerrin. If only it were that easy. As humans, our default state is worry. We were designed that way, for good reason. Back in the day, we weren't exactly king of the jungle. We shared the planet with a lot of things that wanted to eat us. But at this point, most of us can choose to be happy even in situations where things aren't necessarily going our way. A helpful exercise is to begin each day with a moment of gratitude. We all have things to be grateful for and by starting there, it's a lot easier to be happy.

The S&P 500 ended the month up 1.4%, which bodes well for this year according to the January Barometer. When the S&P 500 is positive in January, the full year has been positive roughly 89% of the time since 1950 according to Nasdaq Dorsey Wright. As for the precious metals, silver had a wild ride. After being up more than 18% in a week, it dropped 28.5% on the last day of January, its worst single day decline ever. Looking ahead, February tends to be a weaker month according to technician Peter Mallouk, who goes on to state, "A drawdown of some magnitude happens every year. Expect, prepare, and embrace it. This is the reason you earn a premium for owning stocks." We agree and are positioned accordingly.

Take it or leave it? That's the big social security question facing all retirees. For those with a solid financial plan, there's no absolute right or wrong answer. It's often about what makes the most sense to you philosophically. There is one recent trend, however, that never makes sense and in this month's *Market & Economic Commentary*, I've placed a piece from the WSJ with details. It's an insightful read, well worth your time. First, the numbers...

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# Market Update - Year to Date Returns

## Major Indexes

As of February 1<sup>st</sup>

Dow Jones Industrials	1.7%
S&P 500 Index	1.4%
NASDAQ	1.0%
MSCI EAFE (International)	5.1%
Russell 2000 (small cap index)	5.3%
Bloomberg Capital Aggregate Index (Bonds)	0.1%
XAU (gold/silver)	11.7%

## D.A.L.I. Signals - 2/01/2026

Domestic Equities	International Equities	Commodities	Cash	Currencies	Fixed Income
<b>291</b> 26.7%	<b>289</b> 26.5%	<b>224</b> 20.6%	<b>115</b> 10.6%	<b>93</b> 8.5	<b>77</b> 7.1%

### Source: Nasdaq Dorsey Wright

- Inclusion of these indexes is for illustrative purposes only. Keep in mind that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect investment performance. Individual investor's results will vary. The Dow Jones Industrial Average (DJIA), commonly known as the "Dow", is an index representing 30 stocks of companies maintained and reviewed by the editors of the Wall Street Journal. The S&P 500 is an unmanaged index of 500 widely held stocks that's generally considered representative of the US stock market. The NASDAQ Composite is an unmanaged index of securities traded on the NASDAQ market. The MSCI EAFE (Europe, Australasia and Far East) index is an unmanaged index that is generally considered representative of the international stock market. The Russell 2000 index is an unmanaged index of small cap which generally involve greater risks. The Philadelphia Gold and Silver Index (XAU) is an index of sixteen precious metal mining companies that is traded on the Philadelphia Stock Exchange.
- The Bloomberg Barclays Capital Aggregate Index is a broad-based flagship benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market.
- DALI is a proprietary matrix created by Dorsey Wright & Associates, an independent 3<sup>rd</sup> party. It presents the relative strength relationship of six broad asset classes or "teams", domestic equities, international equities, commodities, fixed income, cash, and currencies. Each are represented by an equal number of ETFs. Each team play against each member of the other teams, with net victories tallied in an effort to rank each asset class team by order of overall strength. Raymond James is not affiliated with and does not authorize or sponsor any of the listed websites or their respective sponsors. Raymond James is not responsible for the content of any website or the collection or use of information regarding any website's users and/or members.
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# Market & Economic Commentary

Years ago, politicians proposed putting stocks into Social Security. These days, the trendy advice is to put your Social Security into stocks. On TikTok and YouTube, dozens of financial advisers and other “finfluencers” are posting videos urging people to start claiming Social Security as early as possible—at age 62—so they can invest the monthly retirement benefits in the stock market. That flies in the face of the traditional advice to delay Social Security as long as possible, if you can. The longer you defer, the higher your monthly benefit will be—for as long as you live. Conventional wisdom is often wrong. Not this time. Taking Social Security early just to invest the money in stocks is a dumb idea for most people.

You’d never guess that from the fast-talking finfluencers. If you’re in your early 60s, don’t smoke, have a college degree and earn a middle-to-upper income, you’re likely to live to your mid-80s. Taking Social Security at age 62 provides a much lower stream of payments over your lifespan—but these people say you should pour it into stocks to capture their higher expected rate of return. Given the historical return on stocks of 7% annually after inflation, they argue, you’re bound to come out ahead in the long run. Wow! Why doesn’t everybody do that? What the videos don’t tell you is that—so far at least—Social Security has always provided inflation-adjusted income, risk free. The stock market doesn’t. “Social Security is the best annuity you can ‘buy,’” says Mark Iwry, who formerly oversaw national retirement policy at the Treasury Department. “But you can buy much more of it by waiting.”

What about missing out on the stock market’s higher return? Let’s say stocks do return 7% annually after inflation, you get a \$2,000 monthly Social Security benefit and you put it all into stocks each year. In that case, if you start taking Social Security at 62 and live until 85, you’ll amass just over \$977,000, calculates Ko. If you delay Social Security until age 70 and then follow the same approach, you’ll end up with just under \$830,000. On the other hand, what if stocks go down? If they lose 3% annually after inflation—which is far from impossible—then claiming at 62 and buying stocks every year would leave you at age 85 with only a bit more than \$290,000. If instead you delay until 70, you’d have almost \$383,000 by age 85. That’s why comparing stocks’ past returns to Social Security’s risk-free, inflation-adjusted payments isn’t apples and oranges. It’s like comparing a roller coaster to an escalator.

Two trends have created a receptive audience for the idea of taking Social Security early to bet on the stock market. For most of the past decade and a half, stocks have boomed, shrugging off every decline. And anyone with eyes or ears knows that fiscal recklessness in Washington is getting wilder. Nearly 2.9 million people filed claims to initiate Social Security in the first nine months of 2025, up 13% from the same period last year. The agency says “fearmongering has driven people to claim benefits earlier.” But the U.S. government, which prints money at will, can keep kicking the can down the road. For a half-century, various budgetary Band-Aids have patched the program up. Even so, many finfluencers argue that with Social Security on shaky ground, your money will be safer in the stock market. If Social Security went under or slashed benefits, wouldn’t that mean the entire U.S. economy was in desperate trouble? In that case, how could stocks be a good investment? Don’t get me wrong. For millions of Americans, taking their benefits at the earliest opportunity isn’t even a choice; it’s a necessity. If you need Social Security to help cover regular expenses you have no other way of funding, you should feel no shame in claiming at age 62. (Likewise, if your life expectancy is short, delaying Social Security often isn’t prudent.) It would also be a shame if you had to sell some of your stocks—especially in a market downturn—to pay your living expenses. Taking Social Security early can reduce the need to do that. Many Wall Street Journal readers, though, enjoy the good fortune of having sizable assets and ample income.

*Jason Zweig, “Are Stocks a Better Bet Than Social Security?,” The Wall Street Journal, 11/21/2025*

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## On a Personal Note

A Special Friend. I met Chuck 39 years ago when an injury dropped him into Aviation Officer Candidate Class 38-86 under the infamous Gunnery Sargent Tibertius Gerhart, USMC, aka, "the Evil One." We were instant friends, misfits of sorts in our group of 25 or so hard-charging individuals hoping to get through 14 weeks of daily challenges on our way to the golden wings of a Naval aviator. Kathleen and I rang in, what Chuck's wife Brenda called, the Greenland New Year. In a streak of brilliance, she decided we'd celebrate the arrival of 2026 at the stroke of 9:00 pm our time, midnight in Greenland. We were honored to be a part of the houseful of folks from all over the country, with careers as varied as a professional Fly Fishing guide in Colorado, doctors (like Chuck), attorneys (like Brenda), and even a newly "winged" young Naval aviator continuing his training in Corpus Christi, Texas (as I did 38 years ago). Before dinner, Chuck and I, manly men that we are, were outside at the firepit solving various world problems (we're not just pretty faces), when we were joined by a boisterous man about our age. After a long drag on his cigarette, he asked if Chuck and I were partners. Chuck shared that he was Brenda's lesser half to which our new friend laughed and apologized. I had some fun and said, "If Brenda hadn't snagged him and he'd have had me, I would've jumped at the chance," adding, "I did see him naked way back in the 80's." We all had a laugh and later rang in the New Year by raising our glasses of Dansk Mjod Viking Blood Mead to a rousing rendition of "Nunarput, Utoqqarsuanngoravit" (Our Ancient Land), Greenland's National Anthem. A formidable precedent has been set.

Tall, Dark & Handsome. Nope, Nope & Nope. Rumor has it, Jimmy Buffett first picked up a guitar as a way to be more desirable to the fairer sex. I didn't have time (or talent) for that so I decided to go with biceps. I spent a considerable amount of my first 40 years underneath a barbell and Kathleen will still admit that it was a part of her initial attraction (that and low standards ;)). But after years of weightlifting and a few thousand hours in a helicopter cockpit, lower back issues forced me to step away from the weights about a decade ago. Our son Alex has picked up the baton in a big way and during his visit over Thanksgiving I asked him to work up a routine for an old guy with a history of lower back issues. After about 5 minutes with Chat GPT drilling down on desired number of days per week, time per workout, and equipment we had available, I was in business. Two months in and I'm loving it! So far so good with the back and surprisingly, some of my other aches and pains seem to actually be going away. Movement is good and it's in keeping with my motto, "Die young, as Late as possible!"

All the cool kids are doing it. The benefits are numerous: reduced muscle soreness/inflammation, improved mood (dopamine boost), better circulation, enhanced focus, stronger immunity, and potential stress resilience (Google). Financially speaking, it's free. The "price" of admission is doing something to which your natural "comfort-seeking" instincts say not just no, but "*Hell No*". Yes, I'm talking about the Cold Plunge. Well I just finished my second session and I've got to say I'm feeling pretty invigorated. My buddy Chat GPT told me I didn't need to go to extremes on the temps, 55 - 60 degrees was fine given my age and medical stats, and I was able to get that with my bathtub, confirmed scientifically with a meat thermometer (do I smell turkey?). As you'd expect, the "entry" is the shocker, especially the first time. But believe it or not, within 30 seconds, you just settle in, focus on your breathing and the time really flies. I use my phone for mood music and to set the timer, 4 minutes for me, followed by a nice cool shower. I'm hooked and can't say for sure if there if anything has changed yet, but I think I may have gotten a little taller. Doing hard things is good.

Until next month, with warmest regards,

*Jon, Collin, Kelly, & Noah*

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