

Smart Cents Weekly

Modern Financial Education for **Young Investors**

Week 7 • September 14, 2025

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Hello there 

This is MeridianAlgo's seventh financial newsletter, offering insights on the US Stock Market and helping you improve your financial literacy and investment skills for a better future. Powered by our own machine learning algorithms, which you can see at the bottom of this document, as well as our preferred charting platform: TradingView. We hope that these market insights from the past week and upcoming weeks will give you a clearer understanding of how markets actually function and what happens behind the scenes.

What's happening with money ?

Weekly Snapshot

The S&P 500 gained 0.3%, rising from 6,460 on September 6 to 6,479 on September 13. It hit a peak of 6,510 mid-week, driven by optimism in tech and consumer goods. However, concerns over rising energy costs and global trade tensions capped gains. Investors are focused on upcoming Federal Reserve moves.

Sector Highlights

Tech and consumer discretionary stocks led the rally, while utilities and real estate trailed. Broader sector participation signals market resilience, but seasonal volatility in September could bring swings.

Volatility Check

The VIX dropped slightly from 16-17 to 15.5, reflecting calmer sentiment. Still, trade uncertainties and energy price spikes keep caution alive. For new investors, this shows markets can be steady but require vigilance.

Money Basics You'll Love ❤️

What Are Dividends?

A dividend is a payment a company makes to its shareholders, usually from profits, as a reward for owning its stock. Typically paid quarterly, dividends are common in stable industries like utilities or consumer goods.

Why Invest in Dividend Stocks?

Dividends provide regular income and signal a company's financial health. They can cushion losses during market dips and offer reinvestment opportunities for growth. However, not all companies pay dividends, and high payouts may limit a company's ability to reinvest in itself.

How to Invest in Dividend Stocks

- Pick a Brokerage:** Use platforms like Robinhood, E*TRADE, or Vanguard with access to dividend-paying stocks.
 - Research Companies:** Look for firms with consistent dividend history and strong financials via SEC filings or tools like Yahoo Finance.
 - Evaluate Yield:** Dividend yield (annual dividend ÷ stock price) shows return. A 2-4% yield is typical for stable firms.
 - Buy Shares:** Place an order through your broker. Consider reinvesting dividends for compounding gains.
 - Monitor Performance:** Track company earnings and dividend changes to ensure reliability.
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Financial Concepts



Recap

Last week, we covered IPOs and the “flations” (inflation, deflation, stagflation, disinflation), explaining how price changes affect markets and investments.

Understanding Diversification

Diversification means spreading your investments across different assets (stocks, bonds, real estate) or sectors (tech, healthcare, energy) to reduce risk.

Why It Matters

- **Lowers Risk:** If one stock or sector drops, others may hold steady, balancing your portfolio. *Example:* Tech stocks crash, but your healthcare or bond holdings stay stable.
- **Boosts Stability:** Diverse assets smooth out returns over time.
- **Captures Opportunities:** Exposure to multiple areas lets you benefit from varied market trends.

How to Diversify

- **Mix Asset Types:** Include stocks, bonds, ETFs, or real estate.
- **Spread Across Sectors:** Invest in tech, consumer goods, financials, etc.
- **Use Index Funds:** ETFs like SPY track the S&P 500, giving instant diversification.
- **Rebalance Regularly:** Adjust your portfolio to maintain your desired risk level.

For young investors, diversification is like not putting all your eggs in one basket—it protects you from big losses and sets you up for steady growth.

Thank you for reading Smart Cents Weekly

Continue your financial education journey with us next week.

Some quick financial legal stuff below 

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