

WEEKLY MARKET COMMENTARY

For the Week of April 9, 2018

THE MARKETS

Wall Street stocks fell sharply Friday. Contributing factors included President Trump's threat to slap additional tariffs on Chinese imports, the Federal Reserve chairman's indication the central bank will probably keep raising interest rates this year and disappointing employment data. For the week, the Dow fell 0.67 percent to close at 23,932.76. The S&P lost 1.35 percent to finish at 2,604.47, and the NASDAQ dropped 2.11 percent to end the week at 6,915.11.

Returns Through 4/06/18	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-0.67	-2.62	18.53	13.00	13.18
NASDAQ Composite (PR)	-2.11	0.17	17.62	12.04	16.63
S&P 500 (TR)	-1.35	-2.10	12.63	10.05	13.22
Barclays US Agg Bond (TR)	-0.05	-1.51	0.83	1.12	1.65
MSCI EAFE (TR)	0.47	-1.07	16.10	4.93	6.76

Source: Morningstar.com. *Past performance is no guarantee of future results. Indexes are unmanaged and cannot be invested into directly. Three- and five-year returns are annualized. The Dow Jones Industrials, MSCI EAFE, Barclays US Agg Bond and S&P, excluding "1 Week" returns, are based on total return, which is a reflection of return to an investor by reinvesting dividends after the deduction of withholding tax. The NASDAQ is based on price return, which is the capital appreciation of the portfolio, excluding income generated by the assets in the portfolio in the form of interest and dividends. (TR) indicates total return. (PR) indicates price return. MSCI EAFE returns stated in U.S. dollars.

Brexit — The United Kingdom will leave the European Union at 11 p.m. London time on March 29, 2019. The vote that set Brexit in motion took place on June 23, 2016. In the two trading days following that vote, the S&P 500 fell 5.3 percent on a total return basis (source: BBC, BTN Research).

What Are Bond Buyers Telling Us? — The yield spread is the difference between the yields on the 10-year Treasury note and the two-year Treasury note. That spread fell to just 0.47 percentage points Thursday, March 29, 2018, i.e., 2.74 percent less 2.27 percent. The yield spread hasn't been that low since Oct. 15, 2007 (source: BTN Research).

Retire With Debt — Only 38 percent of American retirees are debt free, i.e., 62 percent of American retirees have outstanding mortgage debt, credit card debt, auto loan debt or student loan debt (source: Society of Actuaries, BTN Research).

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WEEKLY FOCUS – Reminder: Watch for Tax Fraud

You're certainly aware of rapidly approaching tax day on Tuesday, April 17, but are you aware of the rampant scams during tax season? The most prevalent to watch for are IRS imposters and tax identity theft.

The goal of scammers is to uncover your personal information to file fake tax returns using your Social Security number, claiming your children as dependents or using a deceased person's information to claim a tax refund. The IRS has issued a warning to taxpayers to ignore phone calls, texts or emails regarding your taxes. The IRS only connects with taxpayers through mailed letters.

Also beware of any communication asking for immediate payment or your personal information. The IRS will never ask for your debit or credit card information. If you aren't sure if a communication you have received is legitimate, call the IRS at 800-829-1040 for verification.

On top of phony communications from IRS imposters, scammers can operate through a fake tax preparation service or by stealing your mail or tax returns. To help protect yourself at any time of the year, it's important to:

- Shred personal or financial documents
- Never give out personal information unless you've verified the legitimacy of person asking and why they need the information

This tax season, be sure to check your refund status at www.irs.gov/refunds. Another resource is the IRS Identity Protection Specialized Unit. If you think you're a victim of Tax ID Theft, call the IRS Identity Protection Specialized Unit, 800-908-4490, or visit www.irs.gov/identitytheft.

And of course, our office is always here to help with any of your financial needs. Call us with questions or to set up an appointment today.

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* The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. The Dow Jones Industrial Average is a price-weighted index of 30 actively traded blue-chip stocks. NASDAQ Composite Index is an unmanaged, market-weighted index of all over-the-counter common stocks traded on the National Association of Securities Dealers Automated Quotation System. The Morgan Stanley Capital International Europe, Australia and Far East Index (MSCI EAFE Index) is a widely recognized benchmark of non-U.S. stock markets. It is an unmanaged index composed of a sample of companies representative of the market structure of 20 European and Pacific Basin countries and includes reinvestment of all dividends. Barclays Capital Aggregate Bond Index is an unmanaged index comprised of U.S. investment-grade, fixed-rate bond market securities, including government, government agency, corporate and mortgage-backed securities between one and 10 years. Written by Securities America, Copyright April 2018. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI# 2082459.1