

# WEEKLY MARKET COMMENTARY

For the Week of July 17, 2017

## THE MARKETS

The Dow and the S&P 500 hit record highs Friday after some major banks reported better quarterly profits than expected and weak economic data reduced the likelihood of additional interest rate hikes this year. The S&P made its largest weekly gain since the end of May. For the week, the Dow rose 1.04 percent to close at 21,637.74. The S&P gained 1.42 percent to finish at 2,459.27, and the NASDAQ climbed 2.58 percent to end the week at 6,312.47.

Returns Through 7/14/17	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	1.04	10.91	19.91	11.01	13.94
NASDAQ Composite (PR)	2.58	17.26	25.39	12.44	16.76
S&P 500 (TR)	1.42	11.05	16.05	9.84	15.06
Barclays US Agg Bond (TR)	0.45	2.36	-0.51	2.58	2.05
MSCI EAFE (TR)	2.38	15.97	19.11	1.95	9.41

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.

**Jobs** — In July 2009, there were 14.6 million unemployed Americans and 2.2 million job openings. In April 2017, there were 7.1 million unemployed Americans and 6 million job openings (source: Department of Labor, BTN Research).

**Factory Work** — United States corporations account for 19 percent of global manufacturing, second only to Chinese manufacturers who represent 25 percent of worldwide manufacturing. However, manufacturing accounts for just 12 percent of the U.S. economy today, down from 26 percent of our economy 50 years ago (source: Bloomberg BusinessWeek, BTN Research).

**Why Not Longer?** — As of the end of fiscal year 2017 (i.e., Sept. 30), only 14.2 percent of the outstanding debt of the U.S. will be older than 10 years based on original issuance type (source: Treasury Department, BTN Research).

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## WEEKLY FOCUS – Chip or No Chip: Identity Theft Still a Problem

Good news – the chip in your new credit or debit card is working. The flip side? Criminals are switching gears into other forms of identity theft. Chip card security, which is replacing decades-old, vulnerable magnetic strip technology, is designed to protect you against certain types of fraudulent transactions. Unfortunately, trying to stay ahead of identity thieves is like “squeezing Jell-O,” a Lifelock security expert said in a recent NBC News interview. Stop it in one area – “it squirts out someplace else.”

While the type of counterfeit fraud the new chip cards is designed to combat has, in fact, dropped, other types are on the rise. About one in every 16 U.S. adults fell prey to identity theft in 2016. Javelin Strategy & Research’s 2017 Identity Fraud Study found the use of stolen credit and debit card numbers to buy items online or over the phone jumped 40 percent last year. New account fraud, where criminals create new accounts in your name, but have the bill sent to another address, almost doubled during 2016.

Another type of identity theft involves stolen personal information. The criminal uses the information to access a credit or debit account and have a new card sent to them. These account takeovers rose dramatically last year, with an estimated loss of \$2.3 million – up 61 percent over 2015.

While you can’t completely guard yourself from these crimes, you can reduce your risk. Check your financial accounts frequently and take advantage of free credit reports. Watch for a sudden drop in your credit score, strange credit inquiries and new accounts you didn’t open. Be aware that thieves hijack mobile phone accounts to intercept email and text messages for notifications and one-time passwords.

Other ways to reduce your risk: remove your name from marketing lists of the three credit reporting bureaus to limit pre-approved credit offers that could be stolen; harden your home computer by installing strong firewall and virus protection; and install software that identifies files or other software that make your personal information vulnerable to theft. Don’t carry extra credit cards, your birth certificate or passport, or other cards with your Social Security number, including your Medicare card.

To discuss more ways to secure your financial and personal information, call our office. We can help you develop a strategy to keep your information, and your finances, as secure as possible.

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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 July 2017. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI# 1848250.1