

# WEEKLY MARKET COMMENTARY

For the Week of September 17, 2018

## THE MARKETS

Stocks were largely flat Friday. Bond yields helped financials rise. However, news that President Trump wants to impose tariffs on \$200 billion of Chinese goods – despite the Treasury Secretary’s attempts to restart talks with Beijing – limited gains. For the week, the Dow rose 0.94 percent to close at 26,154.67. The S&P climbed 1.21 percent to finish at 2,904.98, and the NASDAQ gained 1.36 percent to end the week at 8,010.04.

Returns Through 9/14/18	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	0.94	7.59	20.70	19.65	13.93
NASDAQ Composite (PR)	1.36	16.03	23.94	18.41	16.56
S&P 500 (TR)	1.21	10.18	18.54	16.36	13.79
Barclays US Agg Bond (TR)	-0.11	-1.51	-1.33	1.50	2.48
MSCI EAFE (TR)	1.78	-3.36	1.37	7.28	4.41

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.

**How Did You Do?** — An average single-family home in America increased in value by 6.5 percent over the one-year period from June 30, 2017, to June 30, 2018 (source: Federal Housing Finance Administration, BTN Research).

**This Year and Last Year** — Through Friday, Sept. 7, 2018, the S&P 500 was up 8.9 percent YTD (total return). Through Sept. 7, 2017, the S&P 500 was up 11.7 percent YTD (total return), on its way to a full-year gain of 21.8 percent (source: BTN Research).

**They Already Exist** — Sixty-five percent of the goods imported into the United States in 2016 were subject to a tariff imposed by the U.S.A. The average tariff on all imported goods was just 1.73 percent on a dollar-weighted basis. The largest tariffs were 33 percent levied on imported tobacco and 16 percent on imported sugar (source: Federal Reserve Bank of St. Louis, BTN Research).



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Page 2 of 2

## WEEKLY FOCUS – Preparing for the Unimaginable – the Death of a Spouse

There are some things we don't like to think about, much less prepare for. The biggest one of all is the eventual death of a spouse or partner. While it might seem unimaginable, it is inevitable. That certainty makes it a vital part of retirement income planning.

Losing a spouse can result in decreased income, which could greatly impact the surviving spouse's lifestyle. But planning can help diminish the impact. When preparing for the possibility of losing a spouse, here are a couple things to consider.

Upon the death of a spouse, the **Social Security** Administration reviews benefits that were available to both spouses. The survivor receives the larger of the two benefits – not both. While a spousal death before retirement might not affect survivor benefits, if either or both of you plan to retire early, it probably will. Taking an early retirement will reduce monthly benefits by at least 25 percent. Keep in mind that waiting to retire until age 70 ensures the surviving spouse will receive the maximum amount of benefits.

If you or your spouse have **pension benefits**, the choice of pension distribution can help protect the surviving spouse. While a life-only distribution provides a larger monthly benefit, payments cease entirely when the pension recipient dies. But a survivorship distribution ensures at least a reduced benefit to the surviving spouse.

Losing a spouse is difficult and trying. But retirement income planning that includes options in the event of losing a spouse can help alleviate the financial stress on the survivor and protect their retirement income. Both partners should be aware of the options available.

The first step in the planning process is to set aside time to talk. Don't let it become the elephant in the room no one acknowledges or discusses. It **will** happen. Failure to talk and/or plan for this eventuality could pack a hard financial punch to the surviving spouse. The time to talk or think about it isn't later. It's now.

Call our office today. We know it's not easy, but we can help you and your spouse or partner discuss how to prepare financially for being a widow or widower.

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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 September 2018. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SA# 2245073.1