

WEEKLY MARKET COMMENTARY

For the Week of October 8, 2018

THE MARKETS

Wall Street fell twice last week as concern over rising interest rates overshadowed a positive September jobs report. Although fewer new jobs were created than expected, workers saw an average 0.3 percent hourly wage increase and an unemployment rate near a five-decade low. For the week, the Dow remained unchanged (0.00 percent) to close at 26,447.05. The S&P lost 0.95 percent to finish at 2,885.87, and the NASDAQ fell 3.21 percent to end the week at 7,788.45.

Returns Through 10/5/18	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	0.00	8.83	18.75	19.29	14.65
NASDAQ Composite (PR)	-3.21	12.82	18.27	17.66	15.39
S&P 500 (TR)	-0.95	9.52	15.27	15.60	13.60
Barclays US Agg Bond (TR)	-0.94	-2.53	-2.10	0.96	1.98
MSCI EAFE (TR)	-2.34	-3.74	0.33	7.13	3.94

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.

Trillions — The size of the U.S. bond market is \$42 trillion. The size of the U.S. stock market is \$32 trillion. The size of the U.S. economy is \$20 trillion. The size of the Chinese economy is \$12 trillion (source: BTN Research).

Last Quarter of the Year — Over the last 25 years, the S&P 500 index has gained an average of 5 percent (total return) over the final three months of the year. Twenty of the last 25 fourth quarters have produced a positive total return gain (source: BTN Research).

Little Bump — The cost of living adjustment (COLA) made to Social Security benefits is calculated based on the year-over-year increase in prices during the third quarter of preceding years. For example, the COLA that will be applied to benefits paid in January 2019 will be based on the change of prices from the third quarter 2017 to the third quarter 2018. The COLA increase has been less than 2 percent in seven of the last nine years (source: Social Security, BTN Research).



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WEEKLY FOCUS – Things to Know About Medicare Open Enrollment

Because Medicare Part D plans, which cover prescriptions, and Medicare Advantage plans, which replace Original Medicare with HMO- or PPO-like plans, are allowed to refile with Medicare each year, benefits and premiums can change. So each year, Medicare offers a special period from Oct. 15 to Dec. 7 to allow Medicare beneficiaries to change policies. During open enrollment, beneficiaries can:

- 1) Change from Original Medicare (Parts A and B) to Medicare Advantage
- 2) Switch to a different Medicare Advantage plan
- 3) Switch to a different Part D plan
- 4) Enroll in Part D if they didn't sign up during their general open enrollment period (a late enrollment fee may apply)

Part D and Medicare Advantage enrollees will receive an Annual Notice of Change in September. After reviewing this document, they may elect to change plans if their premium increases dramatically, their doctor or pharmacy leaves the plan's network, their copays go up or their Part D drops one of their medications or moves the medication to a more expensive tier. In some cases, a plan is discontinued, forcing enrollees to find other options. Medicare beneficiaries can also compare plans using medicare.gov's Plan Finder Tool.

Pre-existing conditions aren't much of an issue during open enrollment. Enrollees don't need to answer any health-related questions for a Part D plan and will only be asked whether they have End Stage Renal Disease for a Medicare Advantage plan.

Since supplemental Medigap plans have federally standardized benefits that don't change from year to year, they are not included in the annual fall open enrollment. Instead, the Medigap open enrollment period is a six-month window that begins the first month an individual has Medicare Part B and is 65 or older. During this time, the individual has guaranteed issue rights. An insurer cannot refuse coverage, delay *general* coverage or charge a higher premium because of a pre-existing health condition. However, unless the applicant had prior creditable coverage for at least six months, the insurer may delay coverage of *pre-existing conditions* for six months.

Health care decisions can be complicated. If you need help evaluating your options or determining how health care costs may impact your retirement, please call our office.

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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 October 2018. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI#2270037.1