

WEEKLY MARKET COMMENTARY

For the Week of October 16, 2017

THE MARKETS

After several upbeat economic reports buoyed investor confidence, the three indexes rose, and the Dow and S&P 500 saw their fifth week of gains. Data revealed retail sales rose in September; consumer prices increased; and inflation remained muted. According to a University of Michigan report, consumer sentiment was the highest since January 2004. For the week, the Dow rose 0.43 percent to close at 22,871.72. The S&P gained 0.17 percent to finish at 2,553.17, and the NASDAQ climbed 0.24 percent to end the week at 6,605.80.

Returns Through 10/13/17	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	0.43	17.92	29.54	14.76	14.22
NASDAQ Composite (PR)	0.24	22.71	26.71	16.17	16.76
S&P 500 (TR)	0.17	15.86	22.21	13.20	14.72
Barclays US Agg Bond (TR)	0.48	3.48	0.85	2.48	2.10
MSCI EAFE (TR)	1.63	21.84	24.41	7.35	8.68

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.

The World's Biggest — The U.S. economy was \$19.25 trillion in size as of June 30, 2017. Ten years ago (2007), the economy was worth \$14.48 trillion. Twenty years ago (1997), it was worth \$8.61 trillion. Thirty years ago (1987), it was worth \$4.87 trillion (source: Commerce Department, BTN Research).

High After High — During its 103 month-long bull market, the S&P 500 has set 169 all-time record closing highs including its most recent on Thursday, Oct. 5, its sixth in the last seven trading days (source: BTN Research).

Rollin' On — The S&P 500 gained 4.5 percent (total return) during the third quarter of 2017, its eighth consecutive gain in a quarter. It also marked the 18th of the last 19 quarters that have produced a total return gain (source: BTN Research).

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WEEKLY FOCUS – The Start of Medicare Open Enrollment

Because Medicare Advantage and drug plans change from year to year, recipients should carefully review and compare policies during Open Enrollment (October 15 – December 7). It's important to make sure their doctors and hospitals are in network, verify regular prescriptions are covered and check the policy ratings using the Medicare five-star ratings system inside the Medicare Plan Finder tool at Medicare.Gov.

During this time, enrollees have these options regarding their 2018 coverage:

- 1) Keep their current medical and drug coverage.
- 2) Switch their Advantage plan (a private plan that replaces Medicare Parts A and B, and usually includes a Part D drug plan).
- 3) Switch from original Medicare to an Advantage plan or vice versa.
- 4) Sign up for, drop or switch a Part D plan.

Enrollees can't or may not be able to...

- 1) Use Open Enrollment to enroll in Medicare Part A (hospital insurance) and/or B (medical insurance) for the first time.
- 2) Buy or switch a Medigap plan (a private policy covering co-payments and deductibles not covered by original Medicare). Although federal law prohibits Medigap providers from rejecting an applicant with pre-existing health conditions during the six-month period surrounding their birthday, they may turn these individuals down later or charge them higher premiums.

Good and bad news. Expect increased costs for Part D. The initial deductible will increase \$5; the initial coverage limit will increase \$50; and the out-of-pocket threshold will increase \$50. Expect better security. Medicare will stop using Social Security numbers for identification and will begin issuing new ID cards with Medicare beneficiary identifiers instead of Social Security numbers in April of 2018. This will allow seniors to protect their identity by not carrying or providing Social Security numbers unnecessarily.

Medicare premiums and other healthcare costs will continue to increase as a percentage of retirees' living expenses. Contact our office for help in determining if your existing plan for your retirement allows sufficient funds for these expenses.

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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 2017. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI# 1923451.1