

WEEKLY MARKET COMMENTARY

For the Week of December 24, 2018

THE MARKETS

On Friday, stocks fell sharply, and the NASDAQ entered a bear market. Concerns over slowing economic growth, a potential government shutdown and the Federal Reserve's plan for rate hikes fueled losses. For the week, the Dow fell 6.87 percent to close at 22,445.37. The S&P dropped 7.03 percent to finish at 2,416.58, and the NASDAQ lost 8.29 percent to end the week at 6,332.99.

Returns Through 12/21/18	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-6.87	-7.13	-7.36	11.87	9.33
NASDAQ Composite (PR)	-8.29	-8.20	-9.01	8.45	9.08
S&P 500 (TR)	-7.03	-7.87	-8.21	8.33	8.06
Barclays US Agg Bond (TR)	0.45	-0.45	0.04	1.82	2.36
MSCI EAFE (TR)	-2.64	-14.54	-13.78	3.27	0.90

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.

Do I Really Need It? — Only 37 percent of all jobs in the United States require education beyond high school, i.e., 63 percent of American jobs require a high school diploma or less (source: Department of Labor, BTN Research).

Big and Really Big — Fifty-eight publicly held U.S. companies produced at least \$1 billion of sales per week in 2017, up from 39 companies that accomplished that level of weekly sales in 2007. Just one domestic company generated more than \$1 billion of sales per day during 2017 (source: Fortune, BTN Research).

The American Dream — Twice as many American homeowners were created in the last year as were created in the previous 10 years. The number of U.S. homeowners grew by 1.8 million (to 77.9 million) over the 12 months that ended June 30, 2018, double the 0.9 million new homeowners that were added over the decade that ended June 30, 2017 (source: Census Bureau, BTN Research).

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WEEKLY FOCUS – Avoid Costly Mistakes When Taking RMDs

With the end of the year just days away, the deadline to take Required Minimum Distributions (RMDs) from your retirement accounts is almost here.

If you are over age 70½ and have money in tax-deferred retirement tools, such as a 401(k), 403(b) or a traditional IRA, you must take your RMD before Dec. 31.

You may only have a few days left, but don't rush this process. A wrong step now could be costly. Most importantly, don't miss the deadline. Failure to take your RMD will result in a 50 percent penalty on the amount you should have withdrawn. When you withdraw your RMD, remember these tips to avoid a few common mistakes.

Know the RMD for each account

Know where the money for your RMDs is coming from. RMDs must be made from the same type of accounts. You cannot satisfy the RMD for an IRA by withdrawing money from a 401(k). If you have multiple IRAs, you can take your RMD from one or any combination of those accounts. If you have multiple 401(k)s, you will need to take an RMD from each one.

Spouses must take separate RMDs

You cannot take an RMD from your spouse's account to cover your RMD. By taking an RMD from your spouse's account to satisfy requirements for both of you, you are taking more money out of one account and paying more taxes on it. You will also be subject to the 50 percent penalty on the accounts for which you didn't take the RMDs.

Get credit for taxes already paid

Be sure to get credit for the money in your account that's already been taxed, such as a rollover from after-tax funds from a 401(k). Details about how to claim this credit are available on the IRS Form 8606.

You've worked hard to build up your retirement funds. To learn more about how to get the most from your RMDs and avoid costly mistakes, give us a call 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 December 2018. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI# 2358787.1