

Friday, October 18, 2019

Good Morning,

Stocks returned to rally mode after the White House signaled some progress was made in trade talks with China late last week. Although the US simply delayed additional tariffs and both sides agreed to keep talking, not much has really changed on that front. The tentative agreement on BREXIT provided additional enthusiasm for traders as it appears a deal may be reached before the October 31st deadline. Corporate earnings are beginning to emerge but it's too early to predict the trend for Q3. The Fed meets later this month and it's not clear if they plan to make additional moves this month or before year end.

The United States government has maintained financial records since 1789 - for the last 230 years. As of 5/31/09, the US had amassed a national debt of \$11.3 trillion. As of 9/30/19, the US had amassed a national debt of \$22.7 trillion. Thus, the US government has accumulated as much debt in the last 10 years (\$11.4 trillion) as it accumulated in its first 220 years (\$11.3 trillion) (source: Treasury Department). Imagine if you ran your household or business like our government runs the country. And yet, nobody on either side of the aisle running for the White House is discussing it.

It was 32 years ago this week that I experienced my first, and still most dramatic, stock market crash. On October 19th, 1987, (Black Monday) the Dow Jones Industrial Average dropped 508 points. Today we'd consider that just a bad day; almost a 2% decline. However, back then it was a collapse of 22.6% in one day. Quite a shock for a rookie advisor and a constant reminder that markets can change course and fortunes very quickly.

Please visit our website at www.canfg.com or the link below for the last Market Update from Commonwealth Financial Network® – the broker/dealer that supports us in helping you manage your financial life.

http://www.commonwealth.com/RepSiteContent/weekly_comm/commentary_redirect.htm

As always, if you would like to discuss this or anything regarding current market conditions or your portfolio, feel free to contact me at any time.

Have a great weekend,

Wade

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