

Thursday, August 15, 2019

Good Afternoon,

What the heck is up with this stock market? In the past 7 trading days, markets have seen their two largest single-day declines of 2019. Fortunately, the first one (August 5th) was followed by a series of rallies that day's drop. We shall see in yesterday's drop is recouped anytime soon. The S&P 500 currently stands about 5 ½% below the recent all-time highs, a significant amount, but more of an adjustment than a crash. Not long ago we reviewed that August has been the worst performing month over the last 20 years, and so far this year it is living up to its reputation.

What's changed since the July highs? Headlines. Any news about the trade battles with China has the potential move markets up or down. The bond market – which rarely gets top billing – has created a temporary “yield curve inversion”, meaning longer-term interest rates have fallen below shorter-term interest rates. Economists point out that a recession is always preceded by an inverted yield curve. However, an inverted yield curve is not always followed by a recession. We are not in a recession and consumer data remain very strong. However, trade disputes and confusing bond yields create headlines *and* uncertainty, and markets do not like uncertainty.

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.

We'd like to ask you for a favor! Canandaigua Financial Group was nominated for “Best Wealth Manager” in the 2019 Best of the Finger Lakes Awards. We would appreciate it if you would take a moment to place a vote for us. Just click on the following link and scroll down until you see Canandaigua Financial Group and vote. Thanks for your help and let us know if you have any questions!

<https://consumers.secondstreetapp.com/og/8e92567a-aa14-4260-8bfc-d6a04043b29c/gallery/178046126>

Have a great weekend,

Wade

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