

# Quarterly Review

July 2017

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*by Jack P. Cannata, CFP®, CPA*

Domestic equity markets continue to attain new highs, unemployment statistics are continually lower, interest rates remain stable, oil prices are low and moving lower, and houses and cars are selling in record numbers. So what's not to like? While economic statistics and reports continue to paint a rosy scenario, any one of a number of issues lying just below the surface could upend the markets.

The most obvious is politics. Regardless of your personal viewpoint, I think that we all realize that this powder keg requires careful handling. And outside of our borders, politics are equally fraught with concern. Of course, global terrorism and its effects on market and economic psychology are continual worries. All the while other conditions holding just under the surface may pose potential problems to the markets and to the economy.

While we also are not suggesting that an imminent event will upend the markets, we are always cautious. We know that economic and market cycles will continue, meaning that a recession and a bear market are in our future. Unfortunately, we cannot predict the timing, severity, or the triggering event which will cause the next downturn.

We are not suggesting that you exit the markets. We are simply reminding ourselves that markets and economies wax and wane. Fear and greed are said to move markets. We believe that by having a solid plan and a written Investment Policy Statement, our clients are better equipped to avoid both emotions and better positioned to achieve their financial objectives. Here's to hoping for the best and planning for the worst.

As always we thank you for your business and for your continued trust.

Sincerely,

Jack P. Cannata

\*All indices are unmanaged and investors cannot actually invest directly into an index. Unlike investments, indices do not incur management fees, charges, or expenses. Past performance does not guarantee future results.