

Quarterly Review

December 2015

by Jack P. Cannata, CFP®, CPA

As a family, we have been vacationing in West Michigan going on 25 years now and have a quiet log cottage just outside of the sleepy tourist town of Pentwater, Michigan. The town lies equidistant between Big Point Sable and Little Point Sable along Lake Michigan's eastern shore. People from all over the Midwest spend summers in West Michigan for the power boating and sailing on the big lake, soaking up the sun on the beautiful sand beaches, or just relaxing in the slow pace of West Michigan's tourist towns. I am drawn to the area for its majestic cold water streams filled with numerous trout and the fall runs of Chinook salmon and Steelhead.

While enroute to our cottage, we often stop at an exit near Valparaiso, Indiana to top off the tanks as gas prices are inevitably a few cents lower in Indiana than in Illinois or Michigan. Or that is what I tell myself is the reason for stopping at this exit. I have an ulterior motive. You see, next to the gas station is a White Castle. The hamburgers served at White Castle are a sinful delight for many of us who grew up in the Midwest and Eastern States. They may be an acquired taste. For those of you who are unfamiliar, they are small sandwiches with a square patty, grilled onions, and a slice of pickle on a square bun. They can be devoured in a couple bites. When eating at White Castle, you do not simply order one burger, but you order a "sackful". These burgers are not the healthiest cuisine, but the indescribable flavor keeps us going back again and again.

About this time of year, everyone releases their predictions for the New Year and I find clients are invariably asking my opinion regarding the New Year's market direction and economic performance. We all know that it is impossible to predict the future and doing so is an effort in futility. However, it seems that just like White Castle hamburgers we can't stop. I read and digest countless pundit predictions regarding future market movements and upcoming economic activity. Taken with a grain of salt there is no harm in reading these predictions, however just like eating White Castle hamburgers too often, believing these predictions can lead to disastrous results like attempting to time markets or exiting the markets entirely.

They say everything in moderation. I think that this good advice applies equally to consuming my favorite hamburgers and to overreacting to pundit predictions or market volatility.

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

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