
Stocks Post Best Week of 2016

Weekly Update – February 22, 2016

Markets closed out their best week of the year last week, buoyed by higher oil prices and positive economic data that reassured some recession worriers. For the week, the S&P increased 2.84%, the Dow grew 2.62%, and the NASDAQ added 3.85%.¹

After tumbling for weeks, oil prices stabilized close to \$30/barrel after several major oil producers—including Saudi Arabia, Russia, Qatar, and Venezuela—announced their willingness to freeze production levels to fight low prices. It's not clear that the deal will go anywhere since other countries are refusing to participate.² Since cutting production will only work if all or most oil producers commit to collective action, it's not certain that oil prices have ended their declines. However, the temporary pause was enough to give markets a boost.

A key barometer of prices in the U.S.—the Consumer Price Index—showed that core inflation rose 2.2% over the last 12 months.³ A modest rise is good news because it shows that there is demand pushing up prices. Demand means that the economy continues to grow. However, the increase is small enough that it's not likely to trigger another interest rate increase by the Federal Reserve any time soon.

On the negative side, the current manufacturing picture is bleak. Two reports released last week show that the manufacturing sector is still contracting, a victim of a decline in global demand for manufactured goods. However, some portions of the sector that depend on domestic demand are doing well.⁴

The official minutes from January's Federal Reserve Open Market Committee meeting show that officials are concerned by how global risks may affect the domestic growth picture. This isn't news to investors, and markets didn't react very much to the release. Overall, the FOMC intends to be cautious in moving ahead with rate increases, though they are holding to their medium-term positive outlook on the U.S. economy.⁵ We're not likely to see a rate increase in March or April. Currently, the latest Wall Street Journal poll of economists shows June as the odds-on favorite for the next rate hike.⁶ We're not holding our breath.

The week ahead is packed with important economic data, including the second release of fourth-quarter GDP, consumer sentiment, international trade, and consumer spending. Will last week's optimism hold? Possibly, if we get more good news. However, it's likely that we'll see additional volatility in the days and weeks ahead.

ECONOMIC CALENDAR:

Monday: PMI Manufacturing Index Flash

Tuesday: S&P Case-Shiller HPI, Consumer Confidence, Existing Home Sales

Wednesday: New Home Sales, EIA Petroleum Status Report

Thursday: Durable Goods Orders, Jobless Claims

Friday: GDP, International Trade in Goods, Personal Income and Outlays, Consumer Sentiment

Data as of 2/19/2016	1-Week	Since 1/1/16	1-Year	5-Year	10-Year
Standard & Poor's 500	2.84%	-6.17%	-8.57%	8.56%	4.90%
DOW	2.62%	-5.93%	-8.86%	6.46%	4.75%
NASDAQ	3.85%	-10.04%	-8.53%	11.79%	9.74%
U.S. Corporate Bond Index	0.00%	0.26%	-3.81%	1.23%	1.13%
International	4.33%	-9.28%	-16.46%	-2.41%	-1.14%
Data as 2/19/2016	1 mo.	6 mo.	1 yr.	5 yr.	10 yr.
Treasury Yields (CMT)	0.26%	0.46%	0.53%	1.24%	1.76%

Notes: All index returns exclude reinvested dividends, and the 5-year and 10-year returns are annualized. Sources: Yahoo! Finance and Treasury.gov. International performance is represented by the MSCI EAFE Index. Corporate bond performance is represented by the DJCBP. Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly.

HEADLINES:

Housing starts drop in January. Groundbreaking on new homes fell 3.8%, surprising economists who expected to see a rise. Seasonal factors like the large blizzard that blanketed the East Coast could be responsible.⁷

Jobless claims fall unexpectedly. The number of Americans filing new claims for unemployment benefits fell last week, pointing to renewed strength in the labor market.⁸

Mortgage applications rise on lower rates. Falling rates on mortgages continue to drive purchase applications and refinancing activity. Applications for home purchases are up 30% over the same period last year.⁹

Home builders may be losing confidence. An indicator of optimism among the nation's home builders shows that though current and future sales expectations are strong, a lack of labor and available lots may be dragging on future building.¹⁰



*"In order to finish first, first you must finish."
 – Jimmie Johnson*

Thai Turkey Salad



Try this delicious South Asian twist on a cabbage salad.

Serves 4

Ingredients:

- 1 tablespoon canola or vegetable oil
- 1 pound ground turkey or ground chicken thighs
- 2 tablespoons Thai-style fish sauce or soy sauce
- 2 tablespoons light brown or coconut sugar
- 4 cups shredded Napa cabbage
- 1/4 English cucumber (usually found wrapped in plastic), peeled and sliced
- 1/2 cup fresh mint leaves, rinsed and torn
- 1/2 cup chopped peanuts or cashews
- 2 tablespoons fresh lime juice
- 4 lime wedges, for serving

Chef's Tip: Add fresh sliced hot peppers to the ground turkey for a spicy kick.

Directions:

1. Heat a large heavy-bottomed skillet over medium-high heat. Add the canola or vegetable oil and ground meat. Cook until browned, breaking up the pieces, and allow the excess fat and liquid to drain.
2. Add the fish sauce, sugar, and 1/4 cup water to the meat and cook over medium heat until the liquid has almost evaporated. Taste for seasoning and add more fish sauce, sugar, or salt if needed.
3. In a large bowl, toss the shredded cabbage with the cucumber, mint, lime juice, and peanuts.
4. Top with the warm turkey mixture and serve immediately, passing the lime wedges at the table.



Do You Owe Taxes On Your Social Security Benefits?

If you received Social Security benefits in 2015, you may have to pay federal income tax on part of your benefits. Here is how to determine if you need to pay taxes on your benefits:

If you received Social Security benefits in 2015, you should receive a Form SSA-1099, “Social Security Benefit Statement,” showing the amount of your benefits. If Social Security was your only income in 2015, your benefits may not be taxable. If you receive income from other sources, you may have to pay taxes on some of your benefits.

A quick way to find out if you must pay taxes on your Social Security benefits is to add one-half of your Social Security to all your other income, including tax-exempt interest. Then compare the total to the base amount for your filing status. If your total is more than the base amount, some of your benefits may be taxable.

The three base amounts are:

- \$25,000 – if you are single, head of household, qualifying widow or widower with a dependent child or married filing separately and lived apart from your spouse for all of 2015
- \$32,000 – if you are married filing jointly
- \$0 – if you are married filing separately and lived with your spouse at any time during the year.

For more information about Social Security or filing your taxes, consult a qualified tax expert.

Tip courtesy of IRS.gov¹²



Go for the Roll

If you are playing a short shot, go for maximum roll since it's much easier to control the ball on the ground. By avoiding a lot of airtime, you don't have to worry about where the ball will land and how far it will bounce. Many amateurs try to fly the ball close to the target and aren't able to consistently land it where they want. Sometimes, if you have an obstacle in the way, flying the ball is your only option. However, practice low rolling chips that use as much of the green as possible whenever you can.

Tip courtesy of Jeff Johnson, PGA | Golf Tips Mag¹³



Be Careful with Painkillers

For patients in pain, heavy-duty painkillers can be a lifesaver. However, common narcotic painkillers can come with dangerous side effects like dependency. One issue is that older people tend to have more chronic pain issues and take more painkillers. Another is that older bodies simply can't clear drugs as quickly. Here are some tips for managing painkillers carefully:

- Start with a low dose and go slowly. Start with a quarter or half dose.
- Tell your doctor about other medications and your drinking habits.
- Follow up frequently to measure drug levels in your system.
- Be watchful and lock up your medications to avoid theft.

Tip courtesy of AARP¹⁴



Shopping for a Home? Think Green.

If you are looking for a new house or apartment, think these ways to make your home choice more green.

- Look for a place that encourages you to pare down and live more simply. Larger homes cost more to heat, cool, and maintain.
- Ask to see last year's utility bills and maintenance costs to get a sense of how energy efficient the space is. Also, ask about any green appliances or features.
- Try and find a place that is close to your work and fun to minimize the amount of driving you have to do and reduce your household's energy footprint.

Tip courtesy of Seattle PI¹⁵

Share the Wealth of Knowledge!
Please share this market update with family, friends, or colleagues.
We love being introduced!

Securities, advisory services, and insurance products are offered through Investment Centers of America, Inc. (ICA), member FINRA, SIPC, a Registered Investment Advisor, and affiliated insurance agencies. ICA and iWealth are separate companies. Investing involves risk including the potential loss of principal. No investment strategy can guarantee a profit or protect against loss in periods of declining values.

Diversification does not guarantee profit nor is it guaranteed to protect assets.

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 average of 30 significant stocks traded on the New York Stock Exchange and the NASDAQ. The DJIA was invented by Charles Dow back in 1896.

The Nasdaq Composite is an index of the common stocks and similar securities listed on the NASDAQ stock market and is considered a broad indicator of the performance of stocks of technology companies and growth companies.

The MSCI EAFE Index was created by Morgan Stanley Capital International (MSCI) that serves as a benchmark of the performance in major international equity markets as represented by 21 major MSCI indexes from Europe, Australia and Southeast Asia.

The Dow Jones Corporate Bond Index is a 96-bond index designed to represent the market performance, on a total-return basis, of investment-grade bonds issued by leading U.S. companies. Bonds are equally weighted by maturity cell, industry sector, and the overall index.

The S&P/Case-Shiller Home Price Indices are the leading measures of U.S. residential real estate prices, tracking changes in the value of residential real estate. The index is made up of measures of real estate prices in 20 cities and weighted to produce the index.

The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.

Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance.

Past performance does not guarantee future results.

You cannot invest directly in an index.

Consult your financial professional before making any investment decision.

Fixed income investments are subject to various risks including changes in interest rates, credit quality, inflation risk, market valuations, prepayments, corporate events, tax ramifications and other factors.

These are the views of Platinum Advisor Marketing Strategies, LLC, and not necessarily those of the named representative, Broker dealer or Investment Advisor, and should not be construed as investment advice. Neither the named representative nor the named Broker dealer or Investment Advisor gives tax or legal advice. All information is believed to be from reliable

sources; however, we make no representation as to its completeness or accuracy. Please consult your financial advisor for further information.

By clicking on these links, you will leave our server, as they are located on another server. We have not independently verified the information available through this link. The link is provided to you as a matter of interest. Please click on the links below to leave and proceed to the selected site.

¹ <http://finance.yahoo.com/q/hp?s=%5EGSPC&a=01&b=15&c=2016&d=01&e=19&f=2016&g=d>

<http://finance.yahoo.com/q/hp?a=01&b=15&c=2016&d=01&e=19&f=2016&g=d&s=%5EDJI%2C+&ql=1>

<http://finance.yahoo.com/q/hp?a=01&b=15&c=2016&d=01&e=19&f=2016&g=d&s=%5EIXIC%2C+&ql=1>

² <http://www.cnbc.com/2016/02/18/oil-prices-fall-on-oversupply-concerns-after-us-crude-stocks-hit-record.html>

³ <http://www.reuters.com/article/us-usa-economy-fed-analysis-idUSKCN0VS2H5>

⁴ <http://www.foxbusiness.com/markets/2016/02/19/rumblings-oil-output-freeze-extend-momentum-to-wall-street.html>

⁵ <http://www.forbes.com/sites/stevenblitz/2016/02/17/january-fomc-minutes-they-agree-uncertainty-has-increased-but-hold-to-medium-term-outlook/#2160521b288e>

⁶ <http://projects.wsj.com/econforecast/#qa=20160201001>

⁷ <http://www.foxbusiness.com/markets/2016/02/17/january-housing-starts-fall-3-8.html>

⁸ <http://www.foxbusiness.com/markets/2016/02/18/weekly-jobless-claims-fall-by-7000.html>

⁹ <http://wsj-us.econoday.com/byshoventfull.asp?fid=471989&cust=wsj-us&year=2016&lid=0&prev=/byweek.asp#top>

¹⁰ http://online.barrons.com/mdc/public/page/9_3063-economicCalendar.html

¹¹ <http://www.realsimple.com/food-recipes/browse-all-recipes/thai-turkey-salad?iid=most-shared-5>

¹² <https://www.irs.gov/uac/Your-Social-Security-Benefits-May-be-Taxable>

¹³ <http://www.golftipsmag.com/instruction/short-game/lessons/short-game-strokesavers.html>

¹⁴ <http://www.aarp.org/health/conditions-treatments/info-2015/opioid-pain-medication-overdose.html?intcmp=HEA-HLLV-FLXSLDR-SLIDE2-RL1>

¹⁵ <http://www.seattlepi.com/news/article/52-tips-for-living-green-1269861.php>