

Domestic markets ended last week in positive territory, as the S&P gained 0.76%, the Dow was up 0.05%, and the NASDAQ increased 0.96%.¹ This performance marked the 5th week in a row that the S&P 500 and Dow posted gains.² Meanwhile, international stocks in the MSCI EAFE stumbled, losing 1.47% for the week.³

Once again, trade and corporate earnings were in the news last week. We learned that the U.S. is considering increasing tariffs on \$200 billion of Chinese imports. In response, China announced their own tariffs ranging from 5%–25% on \$60 billion of U.S. products.⁴

Corporate earnings season also continued, and so far, more than 78% of S&P 500 companies have beaten estimates.⁵ If the trend holds, the 2nd quarter will likely average more than 20% growth in earnings per share. Companies have also detailed positive perspectives for the rest of 2018, showing that this strong corporate performance should continue.⁶

Of course, last week's trade and earnings weren't the only topics on investors' minds. We also received a number of data reports that shaped our understanding of the economy's health.

Key Findings from Last Week

- **Consumers are earning and spending more.**
The latest data for personal consumption and personal income revealed both measures increased by 0.4% in June. In addition, the report included revised data from 2013–2017, which indicated that people earned \$1.05 trillion more during that time period than initially thought.⁷
- **Tariff concerns are affecting manufacturing.**
The manufacturing sector continues to expand at a faster rate than in 2017, but the pace of growth slowed more than anticipated in July. Respondents to the ISM Manufacturing Index survey shared concerns about tariffs, steel and aluminum disruptions, and transportation challenges.⁸
- **The Federal Reserve is on track for a September rate hike.**
The Fed didn't raise rates this month, but projections show a 93.6% chance that it will do so in September.⁹ The latest jobs report detailed steady wage increases, which helped ease Fed concerns about inflation.¹⁰

This week is relatively light on economic data, but we will continue to analyze last week's reports and the remaining corporate earnings releases. If you have any questions about where the economy is today or what may lie ahead, we're here to talk.

ECONOMIC CALENDAR

Tuesday: JOLTS

Thursday: Jobless Claims

Friday: Consumer Price Index

DATA AS OF 8/3/2018	1 WEEK	SINCE 1/1/18	1 YEAR	5 YEAR	10 YEAR
STANDARD & POOR'S 500	0.76%	6.24%	14.89%	10.69%	8.46%
DOW	0.05%	3.01%	15.60%	10.21%	8.44%
NASDAQ	0.96%	13.16%	23.21%	16.19%	12.95%
INTERNATIONAL	-1.47%	-3.36%	1.35%	2.36%	0.57%

DATA AS OF 8/3/2018	1 MONTH	6 MONTHS	1 YEAR	5 YEAR	10 YEAR
TREASURY YIELDS (CMT)	1.90%	2.23%	2.43%	2.82%	2.95%

Notes: All index returns (except S&P 500) exclude reinvested dividends, and the 5-year and 10-year returns are annualized. The total returns for the S&P 500 assume reinvestment of dividends on the last day of the month. This may account for differences between the index returns published on Morningstar.com and the index returns published elsewhere. International performance is represented by the MSCI EAFE Index. Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly.

QUOTE OF THE WEEK



"If plan A fails, remember there are 25 more letters."
— Chris Guillebeau

RECIPE OF THE WEEK



Apple Ring and Peanut Butter Sandwiches



Serves 1

Ingredients:

1 apple
1 tablespoon peanut butter
Cinnamon

Directions:

1. Cut one cored apple so it sits flat and slice into thick rounds.
2. Spread 1 tablespoon of peanut butter on half the slices.
3. Make into sandwich with remaining slices.
4. Sprinkle with cinnamon.

Recipe adapted from Good Housekeeping¹¹



What Do You Do If You Get a Letter From the IRS?

You get a letter from the IRS. First, don't panic.

The agency sends millions of letters to taxpayers every year.

What do you do? Here are some tips:

- **Don't ignore the letter.** Most IRS correspondences are about tax returns or tax accounts and deals with specific issues. The letters provide specific instructions about what to do.
- **Don't panic.** Most of the time taxpayers need only to read the letter carefully and do what it says.
- **Be prompt.** IRS notices may refer to changes in taxpayers' accounts, taxes owed, or payment requests. Responding to inquiries helps minimize potential charges for interest or penalties.

- **Review the letter carefully.** Notices may request changes or corrections to tax returns. Compare information in the letter with your original return. If you agree with the changes, make the changes on your personal copy of your return. Keep it for your records.
- **Don't respond unless you're told to.** You don't have to respond to an IRS notice unless the agency specifically requests a response. However, if you owe money, respond promptly. Go to <https://www.irs.gov/payments> for more information.
- **Respond to a dispute.** If you don't agree with the IRS, mail a letter to the agency explaining why you disagree with the information in a notice. Mail your letter to the address on the stub at the bottom of the notice. Include documents and other information to support your position. Allow at least 30 days for the IRS to respond.
- **Don't call.** You usually don't have to call the IRS. If you do, use the number on the upper right-hand corner of the notice.
- **Avoid the scams.** The IRS doesn't use social media or text messages to make contact. The agency's first contact is usually by mail.

Other details may apply, and you can find more information on the IRS website.

This information is not intended to be a substitute for specific individualized tax advice. We suggest that you discuss your specific tax issues with a qualified tax advisor.

Tip adapted from IRS.gov¹²



The Long and Short of Improving Your Putts

To putt or not to putt? That's not even the question when your ball lands on the green. The question is: How do you adjust your technique to sink both the short ones (from the hole) and the long ones?

After all, short and long putts require two different styles. What makes for successful short shots usually doesn't work for the longer ones.

What's the most common mistake for putts within five feet? A careless routine, coaches say. Many players don't adequately prepare for the short putts by ensuring their feet are in the proper position to aim the putter. The best approach is to aim the putter face down the start line and then take a comfortable stance.

The big mistake for the long putts? Club grip pressure. Amateurs typically squeeze the putter too tightly, thinking the stronger grip will send the ball further. Tighter grips tend to reduce players' sensitivity for putting distances. Light grips allow golfers to gain a better

feel for the swing throughout the stroke. Longer strokes—not impact speed—produce more distance.

So, think aim for the short putts and light grip for the long putts.

Tip adapted from GolfDigest¹³



Lose Weight on the No-Diet Diet?

Yes. You can lose weight without going on a diet.

Here are some tips:

- Set a timer for 20 minutes and eat very slowly. Savor each bite.
- Sleep more. Researchers say getting seven hours or less of sleep fires up your appetite. And you end up eating more.
- Eat more fruits and vegetables. Up your count for each meal. Don't eat just one fruit or vegetable serving per meal. Eat three or four.
- No more sweets. Cut the sugar intake. The liquid sugar in sodas, for example, doesn't register on the fullness scale, so you drink more. Add lemon or mint to fill the sweetness gap.
- Reach for the sky. With your drinking glass. Tall and skinny glasses make you think you're drinking more juice or other beverages, researchers say.
- Stay at home. Surveys show eating at home (at least five days a week) helps cut total calories.

Taking a few steps can tip the balance in your favor in the weight loss battle.

Tips adapted from WebMD¹⁴



Staying Cool and Green During Hot Summers

Keeping cool during hot summers can be challenging, especially when you want to help preserve the environment. Being cool and going green is not only possible, it's easy.

Here's how:

- Get an energy-efficient air conditioner. Air conditioners get an Energy Efficiency Rating (EER). The higher the rating, the less costly the air conditioner will be to operate.
- Don't overcool. Bigger air conditioners are not necessarily better. Larger air conditioners will cost you more money and may not remove enough humidity.
- Keep your air conditioner in top shape. Have your unit professionally serviced and regularly replace filters.
- Install a house-ventilating fan. Even with central air, a big fan in an attic or upper room can cool a house for the same cost as a window system.
- Set your thermostat high at 78 degrees or as high as possible.
- Close the blinds. This will make your air conditioner more energy efficient.
- Set your thermostat higher during the day when no one is home.

Tip adapted from EarthShare¹⁵

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

Securities and Advisory Services offered through LPL Financial, a Registered Investment Advisor. Member FINRA/SIPC.

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.

International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors.

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 indices from Europe, Australia, and Southeast Asia.

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 the links 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://performance.morningstar.com/Performance/index-c/performance-return.action?t=SPX®ion=usa&culture=en-US>

<http://performance.morningstar.com/Performance/index-c/performance-return.action?t=DJI®ion=usa&culture=en-US>

<http://performance.morningstar.com/Performance/index-c/performance-return.action?t=@CCO>

² <https://www.cnbc.com/2018/08/03/us-stocks-point-to-lower-open-as-investors-await-jobs-report.html>

³ <https://www.msci.com/end-of-day-data-search>

⁴ <https://www.cnbc.com/2018/08/03/us-stocks-point-to-lower-open-as-investors-await-jobs-report.html>

⁵ <https://www.reuters.com/article/us-usa-stocks/wall-street-gains-as-upbeat-earnings-trump-trade-jitters-idUSKBN1KO1IH>

⁶ <https://www.barrons.com/articles/after-the-bell-stocks-steamroll-tariff-and-job-worries-to-end-higher-1533330996>

⁷ <https://www.ftportfolios.com/Commentary/EconomicResearch/2018/7/31/personal-income-and-personal-consumption-both-rose-0.4percent-in-june>

⁸ <https://www.bloomberg.com/news/articles/2018-08-01/u-s-manufacturing-cools-as-orders-gauge-falls-to-one-year-low>

⁹ <https://www.cnbc.com/2018/08/03/us-stocks-point-to-lower-open-as-investors-await-jobs-report.html>

¹⁰ <http://wsj-us.econoday.com/byshoweventfull.asp?fid=485658&cust=wsj-us&year=2018&lid=0&prev=/byweek.asp#top>

¹¹ <https://www.goodhousekeeping.com/food-recipes/healthy/a47155/apple-ring-and-peanut-butter-sandwiches-recipe/>

¹² <https://www.irs.gov/newsroom/dos-and-donts-for-taxpayers-who-get-a-letter-from-the-irs>

¹³ <https://www.golfdigest.com/story/two-skills-for-great-putting>

¹⁴ <https://www.webmd.com/diet/ss/slideshow-no-diet-weight-loss>

¹⁵ <http://www.earthshare.org/2008/09/keeping-cool.html>