

Trade continued to dominate the news last week and cause market volatility as investors monitored discussions of the North American Free Trade Agreement (NAFTA) and tension with China. While Mexico and the U.S. reached a new trade deal early in the week, talks with Canada stalled on Friday, August 31. Reports also came out that President Trump may be adding tariffs on another \$200 billion in Chinese goods.<sup>1</sup>

Domestic markets increased for the week and ended August in positive territory. The S&P 500 and Dow each had their best August since 2014—while the NASDAQ's 5.7% growth was its best performance for the month since 2000.<sup>2</sup> On Wednesday, the S&P 500 reached a new record high.<sup>3</sup> For the week, the S&P 500 gained 0.93%, the Dow added 0.68%, and the NASDAQ increased 2.06%.<sup>4</sup> International stocks in the MSCI EAFE joined the growth, adding 0.26%.<sup>5</sup>

### **Key Data From Last Week**

Although trade might have dominated headlines, last week provided a number of informative economic updates, including:

- **Personal incomes grew in July.**  
The 0.3% increase fell slightly short of the projected growth but is still up 4.7% since this time last year. Combined with growth in personal consumption, this data indicates that consumers had a solid start to the 3<sup>rd</sup> quarter of 2018.<sup>6</sup>
- **Gross Domestic Product (GDP) was higher than initially thought.**  
The 2<sup>nd</sup> reading of GDP expansion between April and June was 4.2%, higher than the initial reading and still the fastest economic expansion since 2014. Economists don't believe this pace is sustainable, however, as rising interest rates, ongoing trade tension, and fading tax-cut benefits could slow growth later in the year.<sup>7</sup>
- **Consumer confidence soared in August.**  
The latest consumer confidence data came in higher than it has since October 2000. This strong reading may indicate that consumer spending will remain healthy for now.<sup>8</sup> Since consumer spending is more than  $\frac{2}{3}$  of the U.S. economy, its growth is a critical factor to track.<sup>9</sup>

This week's performance and reports once again underscore a message we have frequently shared with you: Instead of focusing on the headlines, pay attention to the fundamentals for a clearer understanding of the economy. If you have questions about how this data affects your financial life, we're here to talk.

### **ECONOMIC CALENDAR**

**Monday:** U.S. Markets Closed for Labor Day Holiday

**Tuesday:** PMI Manufacturing Index, ISM Mfg Index, Construction Spending

**Wednesday:** Motor Vehicle Sales, International Trade

**Thursday:** ADP Employment Report, Factory Orders, ISM Non-Mfg Index, Jobless Claims

**Friday:** Employment Situation

DATA AS OF 8/31/2018	1 WEEK	SINCE 1/1/18	1 YEAR	5 YEAR	10 YEAR
STANDARD & POOR'S 500	0.93%	8.52%	17.39%	12.18%	8.50%
DOW	0.68%	5.04%	18.30%	11.88%	8.44%
NASDAQ	2.06%	17.47%	26.15%	17.70%	13.10%
INTERNATIONAL	0.26%	-4.33%	1.62%	2.94%	0.75%
DATA AS OF 8/31/2018	1 MONTH	6 MONTHS	1 YEAR	5 YEAR	10 YEAR
TREASURY YIELDS (CMT)	1.95%	2.28%	2.46%	2.74%	2.86%

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](http://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.



*"Money is usually attracted, not pursued."*

— Jim Rohn



**Super Easy Fruit and Coconut Ice Cream**



Yields 5-6 cups

### **Ingredients:**

#### **Fruit Ice Cream**

2 pounds frozen fruit (take your pick)  
½ cup sweetened condensed milk (7 ounces)  
1 tablespoon honey  
Kosher salt

#### **Coconut Ice Cream**

2 cups heavy cream  
½ cup sweetened condensed milk (7 ounces)  
½ cup coconut milk  
Kosher salt

### **Directions:**

#### **Fruit Ice Cream**

1. Put the fruit in a food processor and press the pulse button until the fruit is finely chopped and fluffy. Scrape the sides of the bowl occasionally.
2. Mix in sweetened condensed milk, honey, and ½ teaspoon salt.
3. Mix on pulse again until the mix is smooth and whirring in a continuous wave.
4. Pour the mix into a 5- by 9-inch loaf pan.
5. Freeze uncovered until the mix is set, about 4 hours.
6. Serve.

#### **Coconut Ice Cream**

1. Attach whisk tool to an electric mixer.
2. Mix cream in a large bowl until stiff peaks form.
3. At the same time, mix together sweetened condensed milk, coconut milk, and ½ teaspoon salt. Blend in 1 cup whipped cream. Add remaining whipped cream.
4. Pour mix into a 5- by 9-inch loaf pan.
5. Freeze uncovered until the mix is set, about 4 hours.
6. Serve.

Recipe adapted from Good Housekeeping<sup>10</sup>



## IRS Provides Tax Credits to Help with College Expenses

Tuition at a private 4-year college can cost \$35,000. Tack on another \$12,000 for room and board and the annual bill can reach \$50,000.

The IRS provides two tax benefits to taxpayers who are paying for higher education in 2018 for themselves, their spouses, or dependents. The American opportunity credit and the lifetime learning credit may help lower their tax load.

Use Form 8863 (<https://www.irs.gov/forms-pubs/about-form-8863>).

The American opportunity credit is worth up to \$2,500 per eligible student, applies only for the first four years of college, and is available for students pursuing degrees.

The lifetime learning credit is worth up to a maximum of \$2,000 per tax return per year for all students. It is available for all years of postsecondary education.

Taxpayers must get Form 1098-T from an eligible educational institution.

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 you discuss your specific tax issues with a qualified tax advisor.

Tip adapted from IRS.gov<sup>11</sup>



## Tour Secrets for Improving Your Putt

It's the enigmatic putt, never ceasing to amaze or to frustrate—depending on the hole or the day. Of all the moves in golf, the putt holds the greatest mystery.

But there's hope. Here is what a few top players do to make their putts successful.

**Phil Mickelson** says to develop a feel for long-distance putts.

During practice, Phil places three tees on the ground at distances of 30, 40, and 50 feet. He tries to roll a ball within an imaginary three-foot circle around the hole. Starting at 40, he putts until he gets three into the circle. He moves to 30 then 50 to avoid getting into a groove. This exercise helps develop distance control.

**Brandt Snedeker's** routine is short and to the point.

His style is difficult to mimic. He wastes little time preparing for the putt, believing that taking additional time increases stress levels. He typically makes short air strokes with

his right hand before the shot. Once he sets up, he takes three or four practice shots with his eyes on the hole. He imagines a trough from the ball to the hole. His advice: Players should watch the hole and the trough, not the ball.

**Rickie Fowler** gives himself a lift.

As he steps up, he takes the time, using his right hand, to make sure his putterface is aimed correctly. Before making the shot, he glances at the hole, lifting the putterhead very slightly before making the play.

Tip adapted from GolfDigest<sup>12</sup>



### Look Out for Eye Problems

“The eyes indicate the antiquity of the soul.” – Ralph Waldo Emerson

The health of our eyes should be one of our highest priorities. After all, without good vision, you wouldn't be reading this, right?

Protecting your eyes and watching for telltale signs of potential health problems doesn't always top our list of health concerns—until it's too late.

Eye problems can be harmless annoyances or early signs of a serious disease. Common complaints include blurry vision, spots, night glare, or flashing lights. Schedule a visit if you detect any of these symptoms.

Here are some common eye problems:

- **Color blindness.** You can't distinguish colors.
- **Nearsightedness.** Items in the distance appear blurry.
- **Farsightedness.** You can't clearly see objects that are close.
- **Presbyopia.** You have difficulty seeing fine print. Lenses of eyes become less flexible as you age.
- **Astigmatism.** Your vision in one or both eyes may be out of focus.
- **Glaucoma.** The optic nerves in your eyes are damaged. You often lose your side vision first.
- **Cataracts.** More than half of people over 80 develop this condition, which produces a cloudy lens. Surgery may help.

Tips adapted from WebMD<sup>13</sup>



## Simple Tips for Earth-Friendly Autumn Yard Work

In less than three weeks, we can expect to fall into the cool splendor of autumn. And with the September 22 start of the season comes the inevitable yard work.

So, how do you do your autumn chores and be eco-friendly at the same time?

Here are four tips for making yard work easier and environmentally sensitive:

1. Use electric implements rather than gas. Gas-powered yard tools emit noise and pollution. A gas-powered leaf blower produces nearly as much pollution as 80 automobiles.
2. Go with trees. Plant trees that are native to your area. Trees have a better chance of surviving in cooler weather than during the hot summer. Autumn is also a rainier season.
3. Get organic fertilizer. Use slow-release fertilizers to enrich your soil for the next year. Organic fertilizers are made of natural, nutrient-rich materials that nurture plants.
4. Leave the leaves. Rather than bagging leaves, make them into compost. The compost becomes organic soil, which you can use in the spring.

Tip adapted from EarthShare<sup>14</sup>

### ***Share the Wealth of Knowledge!***

*Please share this market update with family, friends, or colleagues.  
We love being introduced!*

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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.

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<sup>1</sup> <https://www.reuters.com/article/us-usa-stocks/wall-street-mixed-as-u-s-canada-trade-talks-end-idUSKCN1LG1IU>

<sup>2</sup> <https://www.cnbc.com/2018/08/31/us-markets-global-trade-tensions-ramp-up.html>

<sup>3</sup> <https://www.bloomberg.com/news/articles/2018-08-30/asian-stocks-to-weaken-on-tariff-plan-yen-rises-markets-wrap?srnd=markets-vp>

<sup>4</sup> <http://performance.morningstar.com/Performance/index-c/performance-return.action?t=SPX&region=usa&culture=en-US>

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

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

<sup>5</sup> <https://www.msci.com/end-of-day-data-search>

<sup>6</sup> <https://www.ftportfolios.com/Commentary/EconomicResearch/2018/8/30/personal-income-rose-0.3percent-in-july>

<sup>7</sup> <https://www.bloomberg.com/news/articles/2018-08-29/u-s-second-quarter-growth-revised-up-to-4-2-on-software-trade>

<sup>8</sup> <https://www.marketwatch.com/story/consumer-confidence-soars-to-18-year-high-2018-08-28>

<sup>9</sup> <https://www.thebalance.com/consumer-spending-trends-and-current-statistics-3305916>

<sup>10</sup> <https://www.goodhousekeeping.com/food-recipes/dessert/a22577539/easiest-ever-fruit-and-coconut-ice-cream-recipe/>

<sup>11</sup> <https://www.irs.gov/newsroom/tax-credits-help-offset-higher-education-costs>

<sup>12</sup> <https://www.golfdigest.com/story/3-tour-secrets-thatll-get-you-making-putts>

<sup>13</sup> <https://www.webmd.com/eye-health/ss/slideshow-eye-conditions-overview>

<sup>14</sup> <http://www.earthshare.org/2008/09/shhhhhh>