

U.S. markets experienced more wild sessions last week before ending in positive territory as the recent turbulence continued. In fact, we are currently in the middle of some of the most volatile market performance in more than eight years.¹ For the week, the S&P 500 gained 1.86%, the Dow added 1.61%, and the NASDAQ increased 2.34%.² MSCI EAFE stocks also increased, posting a 1.42% weekly gain.³

While the results may not seem especially dramatic, the path to get there certainly was. On Thursday, January 3, domestic stocks plunged, as factory data and a tech warning spooked investors.⁴ Then, the next day, the S&P 500, Dow, and NASDAQ each gained at least 3.3%.⁵ Friday's performance marked one of the largest rallies since the beginning of this bull market.⁶

What drove the market rally?

Two key events contributed to the huge jumps on Friday: 1) the latest labor report and 2) comments from the Federal Reserve Chairman.⁷

1. December's labor report exceeded projections.

Many people expected that the economy would add around 176,000 jobs last month. Instead, the latest data revealed that the increase was actually 312,000 new jobs in December—drastically beating expectations.⁸ Not only did last month's labor report show more jobs added than anticipated, but wage growth and labor market participation also increased.⁹

Why does this data matter?

Investors have been very concerned that economic growth is slowing. This data helped quell worries that a recession is ahead.¹⁰

2. The Fed shared new policy perspectives.

Fed Chair Jerome Powell told the American Economic Association that the Federal Reserve understands the market's worries and hasn't predetermined its future interest rate hikes.¹¹

Why does this update matter?

Some of the uneasiness the markets have shown recently are a result of concerns that the Fed is tightening monetary policy too quickly. Powell's comments indicate the Fed is sensitive to economic conditions, an update that many investors wanted to hear.¹²

What is on the horizon?

A number of unresolved situations remain for the markets and economy. The government shutdown continues, and a solution doesn't appear imminent at the moment. Trade dynamics are also still an important consideration, especially since corporations are now issuing warnings that trade is affecting their profits. Meanwhile, U.S. officials will be meeting with China this week to talk once again.¹³

For now, the volatility we are experiencing may continue.¹⁴ Remember, we're closely tracking developments to see how they may affect your financial life. If you have questions about how to weather these ups and downs, we are here for you.

ECONOMIC CALENDAR

Monday: Factory Orders, ISM Non-Mfg Index

Tuesday: JOLTS

Wednesday: FOMC Minutes

Thursday: Jobless Claims

Friday: CPI

| DATA AS OF 1/4/2019 | 1 WEEK | SINCE 1/1/19 | 1 YEAR | 5 YEAR | 10 YEAR |
|-----------------------|---------|--------------|---------|--------|---------|
| STANDARD & POOR'S 500 | 1.86% | 1.00% | -7.05% | 6.69% | 10.51% |
| DOW | 1.61% | 0.45% | -6.55% | 7.31% | 10.00% |
| NASDAQ | 2.34% | 1.56% | -4.79% | 10.28% | 15.23% |
| INTERNATIONAL | 1.42% | 0.98% | -16.87% | -1.77% | 3.21% |
| DATA AS OF 1/4/2019 | 1 MONTH | 6 MONTHS | 1 YEAR | 5 YEAR | 10 YEAR |
| TREASURY YIELDS (CMT) | 2.40% | 2.51% | 2.57% | 2.49% | 2.67% |

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



“Be always at war with your vices, at peace with your neighbors, and let each new year find you a better man.”

— Benjamin Franklin

RECIPE OF THE WEEK



Out-of-This-World Granola Bars



12 servings

Ingredients:

- 3 cups organic, old-fashioned oats
- 2 tablespoons oil (try avocado oil or melted coconut oil—either packs a punch!)
- 1 - 2 Tbsp. brown sugar (to taste)
- 1 - 2 Tbsp. maple syrup
- ¼ cup honey
- 1 tsp. vanilla
- 1 tsp. cinnamon
- ¼ - ½ tsp. nutmeg
- 1 - 1½ cups “extras” (dried fruit, walnuts, pecans, sunflower seeds, chocolate chips)
- 5 oz. Belgian dark chocolate

Directions:

1. While the oven is preheating to 350°F, spread the oats evenly in a 9" x 13" pan. Put them in the oven and toast for about 15 minutes, stirring once or twice. Meanwhile, line a 9" x 9" pan with parchment paper or foil, leaving a few extra inches on each side so you can tent the bars after the granola mixture is transferred to the pan.
2. Heat the oil in a small saucepan and add the brown sugar, maple syrup, honey, vanilla, cinnamon, and nutmeg; bring it to a simmer over medium-high heat. Stir until the brown sugar dissolves, then turn off the burner.
3. Add the oats to a large bowl, pour the hot liquid over the oats, and stir to coat evenly. Stir in all of your "extras," then add the mixture into the prepared pan.
4. Fold the extra parchment or foil over the top of the granola mixture and press to fill the pan and to flatten out the granola in the pan. Cool the bars for about an hour or put them in the freezer to cool faster.
5. Invert the pan to transfer cooled bars onto a cutting board and set aside the parchment or foil. Slice the bars to the desired size and spread them in a single layer onto the foil or parchment. Melt the chocolate in a small saucepan over low heat. Drizzle the chocolate over the bars with a spoon and enjoy!

Recipe adapted from Sugar Dish Me¹⁵



Own a Restaurant? Tax Tips on Tips

If you own a restaurant, then your employees probably receive tips for their great service. However, there are a few "tax tips on tips" you should know about. In general, tips are subject to withholding, and employees are required to claim all tip income, including tips via credit card transactions.

If you operate a large food and/or beverage establishment, you must file Form 8027, Employer's Annual Information Return of Tip Income and Allocated Tips, to report your employee's tip income. Criteria that define "a large food or beverage establishment" include:

- Food or beverage is provided for consumption on the premises
- Tipping is a customary practice
- More than 10 employees, who work more than 80 hours, were normally employed on a typical business day during the preceding calendar year.

A worksheet for determining whether a business meets the criteria listed above is included in the instructions for Form 8027.

* 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.gov¹⁶



Zero In On Your Impact Location

When your club makes contact with the ball, and the ball gets its marching orders, this is “the moment of truth.” Most golfers are unaware of where they are making impact with their irons and woods, and it’s extremely important information.

The next time you are on the range, mark the head of your irons with a dry erase marker or spray your ball with a can of powdered foot spray before you strike the ball with your driver or fairway woods. This will help you see exactly where you’re hitting the ball. Once you’ve tracked your impact location, make a mental note of your body mechanics and footing. With enough repetition, it’ll start to feel second nature, and you can leave your training tools at home.

Tip courtesy of Adam Young | PracticalGolf.com¹⁷



5 Health Benefits of Owning a Dog

It’s true: America loves dogs. Besides our four-legged best friends being cute, friendly, and always glad to see us, they offer a whole host of health benefits to keep our spirits

up, help to combat loneliness, and have an excuse to get outside for some fresh air and exercise. Here are a few added benefits of canine ownership:

- **Pet your dog for stress relief.** Petting a dog reduces stress. It triggers your brain to release oxytocin (known as the “love hormone”) and reduces the release of cortisol (a stress hormone).
- **Unconditional love.** No pressure—your dog loves you no matter what. Sometimes it’s just what the doctor ordered.
- **Never lonely.** The companionship of a dog can alleviate feelings of loneliness and give meaning because a dog needs consistent care. Dogs are also good for those who have trouble connecting with other people, such as those diagnosed with PTSD or dementia.
- **Better than blood pressure pills.** Studies have shown that in some cases, dog ownership may help lower cortisol levels, which in turn, could result in lower blood pressure.

Tip adapted from Canine Weekly¹⁸



Energy Saving Tips in the Kitchen

Appliances and hot water account for a big part of energy use in your home. So, the kitchen is a great place to start saving energy. Here are a few kitchen energy saving tips:

- Leave the faucet on the cold side when using small amounts of water. When the lever is in the “hot” position, it still draws hot water, even though it may not reach the faucet.
- If you’re shopping for a new stove, look for a natural gas model with an automatic, electric ignition system. It saves gas since a pilot light is not burning continuously.
- Your natural gas appliances should have blue flames; yellow flames indicate the gas is burning inefficiently. If you see yellow flames, consult the manufacturer or your local utility provider.
- Be sure to keep range-top burners and reflectors clean; they will reflect the heat better, while saving energy.
- Cover your kettle or pan, or use an electric kettle to boil water. It’ll brew faster and will use less energy.

- Eating for one? Use a toaster, microwave, or convection oven rather than your large stove or oven. Doing this will save up to half the energy of a full-sized oven.

Tip adapted from Energy.gov¹⁹

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

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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.

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¹ <https://www.bloomberg.com/news/articles/2019-01-04/all-the-days-are-big-days-for-stocks-as-bulls-bears-trade-blows?srnd=premium>

² <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=%21DJI®ion=usa&culture=en-US>

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

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

⁴ <https://www.bloomberg.com/news/articles/2019-01-03/asia-stocks-to-track-u-s-losses-on-growth-worries-markets-wrap?srnd=markets-vp>

⁵ <https://www.cnbc.com/2019/01/04/stock-market-investors-react-to-us-china-trade-talks.html>

⁶ <https://www.bloomberg.com/news/articles/2019-01-03/asia-stocks-to-track-u-s-losses-on-growth-worries-markets-wrap?srnd=markets-vp>

⁷ <https://www.cnbc.com/2019/01/04/stock-market-investors-react-to-us-china-trade-talks.html>

⁸ <https://www.cnbc.com/2019/01/04/stock-market-investors-react-to-us-china-trade-talks.html>

⁹ <https://www.bloomberg.com/news/articles/2019-01-03/asia-stocks-to-track-u-s-losses-on-growth-worries-markets-wrap?srnd=markets-vp>

¹⁰ <https://www.bloomberg.com/news/articles/2019-01-03/asia-stocks-to-track-u-s-losses-on-growth-worries-markets-wrap?srnd=markets-vp>

¹¹ <https://www.reuters.com/article/us-usa-stocks/wall-st-rebounds-on-robust-jobs-report-dovish-powell-remarks-idUSKCN1OY154>

¹² <https://www.cnbc.com/2019/01/04/stock-market-investors-react-to-us-china-trade-talks.html>

¹³ <https://www.bloomberg.com/news/articles/2019-01-03/asia-stocks-to-track-u-s-losses-on-growth-worries-markets-wrap?srnd=markets-vp>

¹⁴ <https://www.reuters.com/article/us-usa-stocks/wall-st-rebounds-on-robust-jobs-report-dovish-powell-remarks-idUSKCN1OY154>

¹⁵ <https://www.sugardishme.com/best-dang-granola-bars-ever-ever/>

¹⁶ <https://www.irs.gov/businesses/small-businesses-self-employed/reporting-tip-income-restaurant-tax-tips>

¹⁷ <https://practical-golf.com/golf-tips/>

¹⁸ <https://canineweekly.com/the-mental-health-benefits-of-dog-ownership/>

¹⁹ <https://www.energy.gov/energysaver/appliances-and-electronics/kitchen-appliances>