

January 10, 2019

Good Afternoon,

After the worst month in ten years (December), the stock market has provided a nice bounce to start 2019. While this mini-rally has been a welcome relief, it is too early to tell if the downtrend has been broken and stock prices will continue to rise from here. It does appear, however, that the selloff was overdone and many investors have found the lower prices represent good values and an opportunity to pick up solid companies cheaply.

We saw very strong employment data on Friday indicating economic recession is nowhere in sight. In addition, Fed Chair Powell did not mince words when he stated, "we're listening sensitively to the messages markets are sending." Investors took this to mean future interest rate increases are not on 'auto pilot' and the Fed is not operating in a vacuum. These are the kinds of positive surprises I mentioned last week that can result in sharp, short term rallies.

Along with the dysfunction and disorder in Washington, other distractions remain intact for markets. Most notably is BREXIT and the difficulties Great Britain is having negotiating a 'soft' exit from the European Union. Without some form of a deal with the EU, a 'hard' exit could be very disruptive for the European economy and the ripple effects could spread globally. The clock is ticking and markets are watching closely.

Please visit our website at www.canfg.com or the link below for the last Market Update from Commonwealth Financial Network® – the broker/dealer that supports us in helping you manage your financial life.

http://www.commonwealth.com/RepSiteContent/weekly_comm/commentary_redirect.htm

As always, if you would like to discuss this or anything regarding current market conditions or your portfolio, feel free to contact me at any time.

Winter has finally shown up. Stay warm and have a great weekend.

Wade

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