

# Stonebridge Market Wrap

August 11, 2017

## For the week ending August 11, 2017

Favorite headline of the week: “What to do with stocks if U.S. and North Korea go to war”. Geez, Louise. Does anybody really think we are going to war with North Korea? While a colossal miscalculation by Kim Jong-un can’t be completely ruled out, this tactic of aggressive bluster by the North Koreans is a feature of every new Presidency since Carter. It seems that the Kims always get something in return for their bad behavior. This time we have Russia and China on board with sanctions. We’ll see what happens but war seems extremely unlikely. We had a bad week (after 9 straight days of gains) amid all of the pear clutching coverage of the barbs and threats going back and forth, I thought we had had enough of that in 2016. Thank goodness this White House is staffed with a few Generals who have been downrange and know a thing or two about wars and maybe how to avoid it.

Meanwhile... we just completed the best earnings season in 13 years for U.S. companies. Nearly 80% of the S&P 500 have bettered their targets. According to Bloomberg, the consumer comfort index is at a 16 year high. I think these stats are the one, two punch that has kept this rally going. When will it stop you ask? Probably when earnings growth fades which will cause the consumer confidence numbers to wane as well. When is that going to occur, you ask? Beats me.

**David A. Eckenrode**  
**Director of Equity Management**

### Key Economic Releases for the coming week:

**Tuesday, August 15th:**

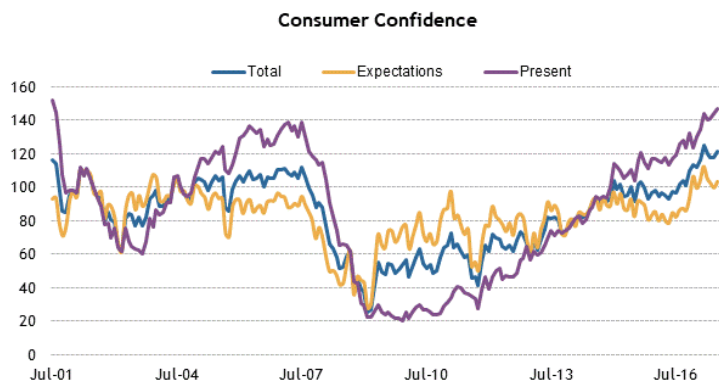
- ◆ Retail Sales; .3% expected

**Wednesday, August 16th:**

- ◆ Housing Starts; 1.22MM expected

**Thursday, August 17th:**

- ◆ Capacity Utilization; 76.7% expected
- ◆ Industrial Production; .3% expected
- ◆ Leading Economic Indicators; expected



Source: Conference Board; updated 07/25/17

Briefing.com

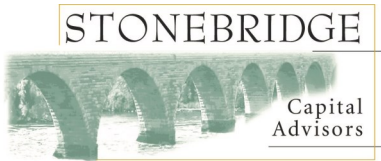
### Index & Price Changes for week ending 8/11/17

<b>DJIA</b> – 21,858.32	Fell <b>234.49</b> points
<b>NASDAQ</b> – 6256.56	Fell <b>95.00</b> points
<b>S&amp;P 500</b> – 2441.34	Fell <b>35.49</b> points
<b>S&amp;P Small Cap 600</b> – 854.60	Fell <b>10.40</b> points
<b>90 Day T Bill</b> – 1.03%	Yield Fell <b>.04%</b>
<b>2 yr TSY</b> – 1.29%	Yield Fell <b>.06%</b>
<b>5 yr TSY</b> – 1.75%	Yield Fell <b>.07%</b>
<b>10 yr TSY</b> – 2.19%	Yield Fell <b>.07%</b>
<b>30 yr TSY</b> – 2.79%	Yield Fell <b>.05%</b>
<b>Oil</b> - \$ 48.76*	Fell <b>\$.70</b> per barrel
<b>Gold</b> - \$ 1264.20*	Fell <b>\$11.40</b> per oz.
<b>Unleaded Gasoline*</b> -\$1.6	Fell <b>\$.03</b> per gallon
<b>Euro</b> - \$ 1.1826	Rose <b>\$.0045</b> against the \$

\* Wholesale price for NY Mercantile Exchange traded contract

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## Medicare Made Easy

You may know that when you turn 65 you become eligible for Medicare. But did you know when it comes to Medicare you have choices? From reviewing original Medicare (Part A and Part B) to understanding Medicare supplement insurance plans to Medicare Advantage (Part C) and stand-alone prescription drug plans (Part D). Medicare helps millions of Americans get the health care they need. Just as important, it offers you a choice of how you want to receive your benefits. Medicare is a federal insurance program for people age 65 and with certain disabilities. To qualify you must have been employed 40 quarters or a spouse to someone who has. There are two original parts to Medicare, Part A- which cover hospital and Part B- which covers doctors and outpatient services. In 2006 Medicare put in to place Part D- which covers prescription coverage.

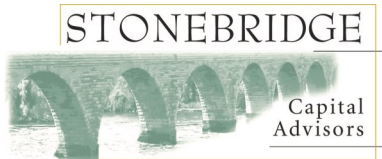
### Original Medicare doesn't cover everything.

Medicare helps you get the coverage you need, but you should expect to pay some of the cost. There are a few options to help cover the cost. For 2017 Part A has a \$1,316.00 deductible and Part B has a \$183.00 deductible. You can enroll in a Medicare supplement and a stand-alone prescription drug plan (Part D) or you could enroll in a Medicare advantage plan (Part C). Some of the elements original Medicare doesn't cover is dental, vision, hearing and prescription drugs or you can enroll in a Medicare advantage plan offered by private insurance companies. Plan C gives you all of the coverage provided by Parts A and Part B as well as additional benefits such as dental, vision and hearing. This plan combines hospital cost, doctor and outpatient in one plan and may include prescription drug coverage.

### Let's look at the difference in your options.

Original Medicare with a supplement. In general, the supplement will cover all cost that Medicare doesn't cover. There are a number of plans that are offered by private insurance companies and they cover the 20% Medicare doesn't pay and can also cover the Part A and Part B deductible. You would pay a monthly premium and that would be the only out of pocket you would have. You would also need to get a prescription drug plan (Part D). With the supplement, you can see any provider that accepts Medicare. When you first become eligible for Medicare, you have a 7 month window to enroll in a supplement, 3 months before your birthday, the month of your birthday and 3 months after your birthday. During this time, you do not have to answer any health questions. If you don't enroll during this time, you would have to answer health questions and go through underwriting and could be declined for coverage. Supplements are guaranteed renewable and they cannot take it away from you as long as premiums are paid.

Medicare Advantage. This plan combines everything into one plan, including prescription drugs. Some plans have a zero monthly premium. These plans have copays for services such as doctor visits and inpatient hospitalization. They have to offer everything original Medicare offers and may offer additional benefits. They also have a maximum out of pocket you can spend in a calendar year. You have to go to providers that are in the network and some plans require you to have a referral to see a specialist. You still have to have Part A and B to enroll in the plan. With an Advantage plan, you can change each year if you like. Annual enrollment is from October 15<sup>th</sup> to December 7<sup>th</sup> for an effective date the January 1<sup>st</sup>. If you go from an Advantage plan during this time, you have to go through underwriting and could be turned down.



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I have been helping people for 25 years with understanding their options. In my professional opinion, if you can afford the monthly premiums, I would take the supplement and a stand-alone drug plan.

That way you know what your cost will be. With an advantage plan for the year 2017, Medicare has a maximum out of pocket of \$6,700.00. You are also limited on getting care with having to use network doctors. For example, if you are traveling and need to see a doctor your only options are to go to a walk-in clinic or go to the emergency room. With a supplement, you can go to any provider that accepts Medicare anywhere in the country. I had a client a few years ago who was on an Advantage plan and needed some pretty serious care and his doctor told him he needed to go to the Cleveland Clinic. Since it was not in network, the insurance company denied him to go there. Luckily it was during open enrollment and he was able to go back to original Medicare and get a supplement. He got the care he needed with no out of pocket.

I hope this helps and if you have any questions please feel free to give us a call at 615-265-4975.

**Jeff H. Brimm**  
**Regional Director**