

Stonebridge Market Wrap

December 15, 2017

For the week ending December 15, 2017

We are running out of weeks in 2017. I do not think anyone could have guessed a year ago where we would be at the end of 2017. Hysterical media coverage, check. Independent Council, check. GDP growth, 3.3%, check. Over 85 new highs since the election, check. ISIS defeated in Iraq, check. Global expansion, check. Fed still raising rates, check. None of this makes sense and yet, in the broader context, it does. Overall, things are going well, so there is more of an “animal spirits” feel to the markets. The market has been up *every month* since November 2016. And yet, investors are still on balance taking money out of the U.S. stock market. That is a pretty strong signal since markets do not enter the mania stage with money easing to the sidelines. Remember, bull markets do not die of old age, they are usually killed by bad policy.

Much of the movement this week was in response to news regarding the tax overhaul bill. Up when the news is that the bill likely would pass and down when roadblocks were reported. With the bill out of the conference committee, it appears likely at this point that it will be passed next week sometime. The momentum seems too great at this point to have it fail. Please note the use of weasel words in the foregoing statement: likely, seems, reported, and appears. As any reader of Wall Street or economic research knows, writers need escape hatches because we cannot read minds. So naturally, we do not know for sure and certain that this bill is going to pass next week, just that it *appears* so. At this point. Knowing what we know now. Based on information available to us.

David A. Eckenrode
Director of Equity Management

Key Economic Releases for the coming week:

Tuesday, December 19th:

- ◆ Housing Starts; 1.23MM expected

Thursday, December 21st:

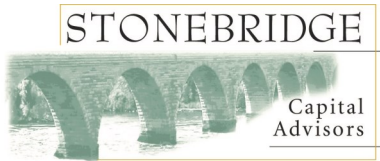
- ◆ 3Q GDP Revised; 3.3% expected
- ◆ Core CPI; .2% expected

Friday, December 22nd:

- ◆ Durable Goods Orders ; 1.6% expected

Index & Price Changes for week ending 12/15/17	
DJIA- 24,651.74	Rose 322.58 points
NASDAQ- 6936.58	Fell 47.42 points
S&P 500- 2675.81	Rose 24.31 points
S&P Small Cap 600- 928.11	Rose 2.86 points
90 Day T Bill- 1.32%	Yield Rose .04%
2 yr TSY- 1.84%	Yield Rose .05%
5 yr TSY- 2.16%	Yield Rose .02%
10 yr TSY- 2.36%	Yield Fell .02%
30 yr TSY- 2.70%	Yield Fell .06%
Oil- \$ 57.34*	Fell \$.09 per barrel
Gold- \$ 1257.90*	Rose \$8.30 per oz.
Unleaded Gasoline-\$1.66*	Fell \$.06 per gallon
Euro- \$ 1.1755	Fell \$.0011 against the \$

* Wholesale price for NY Mercantile Exchange traded contract



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End of the Year Reminder

As the year comes to a close, we would like to make sure you are aware of several year-end financial objectives you may want to complete:

- **Required Minimum Distributions (RMDs)**
 - * If you turned 70.5 this year, you can take your first RMD as of December 31, 2017. However, you may elect to defer your first RMD until April 1, 2018. Remember that deferring will cause a double distribution in 2018 with your first being in April and then a subsequent distribution at the end of the year 2018. Please note, you must take RMD on IRAs regardless if you are continuing to work or not.
 - * Retirement plans that fall under RMD rule include traditional IRAs and IRA-based plans (SEPs, SARSEPs, and SIMPLE IRAs), profit-sharing plans, 401(k) plans, 403(b) plans and 457(b) plans.
- **Contributions-** Now is a good time to review your IRAs and Retirement Plans. Make sure the strategies implemented are aligned with your goals and also make sure your contribution schedule is set for 2018.
- **Charitable Gifts-** If you are looking to donate during the holiday season we recommend you make those donations by December 21, 2017. We also recommend you inform the recipient of your donation. This will ensure processing of the donation goes through before year end and can be included for deductions.

Happy Holidays to all of you and please let us know if you have any questions, we are here to assist you.

The Stonebridge Team