

November 14, 2018

Good Afternoon,

Market volatility continues to be the running theme. Last week's decent gains have been erased this week as worries about Apple (and thereby the entire tech sector) and oil have investors nervous. Oil prices hit a four year high just a month ago, but have since slipped into bear market territory (down 20%) on concerns over falling demand and slowing global growth. As we've discussed in the past, sharp drops in oil prices – while seemingly good for consumers at the pump – tend to drag down stocks of energy and industrial companies which are major components of our economy and market indices.

We continue to believe that we are in the midst of a normal market correction and not some event like 2008. Remember that 10 years ago, Congress was faced with the option of saving our financial system from collapse. They first rejected it. Stocks fell another ten percent in a week and then Congress voted to bailout certain banks and insurance companies to prevent a complete failure of the banking system. Fast forward to today; no US bank has failed and required a bailout in the 329 days through Friday 11/09/18, the longest stretch without a US bank failure since 2/02/07 (source: Federal Deposit Insurance Corporation). This is not 2008 all over again.

Last Tuesday's midterm elections (11/06/18) were the 4th consecutive midterms where at least 1 chamber of Congress (either the House or the Senate or both) flipped the controlling party. Voting in 2006 (House and the Senate changed), 2010 (House changed), 2014 (Senate changed) and now 2018 (House changed) has altered the balance of power in Washington. From an economic and markets perspective, the election results probably matter less than many think. Rising federal debt and deficit levels will limit Washington's ability to accomplish much over the next two years.

This week's update is slightly longer than usual as I did not send one last week. I was attending the Commonwealth National Conference in Austin, Texas. Along with some excellent educational and networking opportunities, attendees were treated to some fantastic speakers, including Mick Ebeling of Not Impossible Labs, and former President George W. Bush. If you'd like to see some positive news for a change, check out [www.notimpossible.com](http://www.notimpossible.com) and learn what this amazing company is doing for humanity. Their work is extremely impressive! Regardless of how you feel about his presidency, George W. Bush is a down-to-earth, intelligent, articulate and very funny man with an unrivaled perspective on current events. It was an honor and very refreshing experience to hear what he had to say.

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[http://www.commonwealth.com/RepSiteContent/weekly\\_comm/commentary\\_redirect.htm](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.

Have a great week,

Wade

Wade A. Sarkis, CFP®, AIF®  
Managing Partner  
Canandaigua Financial Group  
45 Ontario Street  
Canandaigua, NY 14424  
(585) 396-2720

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