

August 30, 2018

Good Morning,

Last week featured multiple negative political headlines for President Donald Trump and some critics questioned the stability of his administration. The news was also dominated by signs of increased trade tensions between the U.S. and China, as well as statements from Federal Reserve Chair Jerome Powell that interest rate hikes were likely to continue. Despite the noise, however, investors continued moving money into stocks, causing the current bull market to become the longest in history and the S&P 500 Index to reach new record highs by the end of last week.

As we've noted before, headline risk can be influential – or ignored. The fact is that the economy is strong with consumer confidence hitting new all-time highs this week. The second reading of Q2 GDP showed an increase to 4.2% from 4.1%. Corporate profit growth has exceeded expectations year-to-date. Only housing data have been disappointing recently. While the economic news has been quite positive, we feel the stock market is somewhat overbought at these levels and anticipate a slight pullback before further advances in the fall.

You've probably heard that the Trump Administration has announced the formation of the new US Space Force as a sixth branch of the US Armed Forces. Vice President Pence made the announcement saying, " the United States will meet the emerging threats on this new battlefield." It should be noted that since the announcement there has not been a single report of an alien abduction of a US citizen.

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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 wonderful holiday weekend!

Wade

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