Market Commentary for Week of May 30, 2017

Markets are back in an uptrend. The S&P 500 is up through this past Friday 7.9%, NASDAQ is up 23% and the NYSE is up 2.9% year-to-date.

Earnings this season have been very bullish. The U.S. Economy grew by less than 1% in the first quarter, so companies that are able to grow earnings and sales by 25% is simply fabulous.

Investors left early for Memorial Day weekend because indexes barely moved. This week however, we have some big names reporting earnings. The stock market got two pieces of good news Friday before the opening. First, the second reading on first quarter GDP was stronger than expected. The consensus called for .8%, but it rolled in at .2%. Second, durable goods orders for April weren’t as weak as expected down .7% vs. the consensus target of minus 1%. For this past week, the NASDAQ added a solid 2.1% and the S&P 500 added 1.4% as both reached record highs.

Coming up this week: the market will release a routine mix of data, including personal income Tuesday, housing data Tuesday and Wednesday, the Challenger job cut report on Thursday, and the closely watched Employment situation report Friday.

“Shareholder Meeting and Cookout” This year again we had a capacity crowd. Michael Jones, CFA of Riverfront Investment Group gave an update on global markets and economic issues. I personally appreciate Michael’s efforts. He is in high demand for appearances but always takes time for us – even on a Saturday afternoon. Next year the date will be May 19th and again on a Saturday afternoon. Since we are at capacity, DeAnn is beginning to plan ways we can accommodate more clients and even an additional event.

Tax Time: Always an interesting time for us here at the office. We are coming off Required Minimum Distribution calculations, end of year reports and planning for the shareholders meeting. This year we did some of the administrative work for Kevin because of the number of clients that use Kevin’s services. That certainly helped streamline the process. However, we do have Kevin at capacity and I am working with a longtime friend and client, Doug Bradshaw, CPA to formulate an arrangement to help our clients that Kevin just cannot get to. More about that in the months to come.

One issue I did learn of this year, when we set up clients for online access I generally have 1099’s still go by mail. But in numerous cases some clients still chose online delivery. Not a problem but it does leave room for error. This year there have been some instances of all 1099’s getting printed off of online accounts to be filed. This generally happens if clients have an unscheduled distribution during the year.
We all think of the scheduled (most instances) monthly distributions. But in those cases when there is a special circumstance it has a tendency to get missed. Of course the IRS sends that letter 2 years later with one to follow from the state. I think going forward we will go down the list of clients who have e-delivery and print off all 1099’s and mail them just in case. An idea worth taking time to do, so when you open your mail and say I already have my 1099’s remember I am saying just in case. We don’t want anything missed.

On the Homefront: I went to visit Bruce at The Citadel the weekend of the 12th. Penny stayed behind to care for Mom, who is making some progress. Today Bruce starts the first summer session after completing Maymester last Friday. Emily starts back on June 6th and has been working full-time at the University of Kansas Medical Center since school got out. It is hard to believe her first four years are behind her. We are trying to get back out to spend a few days with her shortly.

Thanks for taking time to read the comments.

Most Sincerely,

W. Bruce Jackson, CLU®, ChFC®, CAP®
Registered Representative
Investment Advisory Representative
Insurance Broker and Consultant

WBJ/dmr