



IN MY OPINION...

Quarterly Comments from Thomas J. Wolf

January 2020 “

A BRAND NEW DECADE!”

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*You can “Like” me on Facebook and “Connect” with me on LinkedIn at Thomas J. Wolf, CFP®.
For those of you not using these social media services, you can go directly to my website at www.iplan4u.com
For those of you we mail Bulletins to, we will include the most relevant of those items with the update.*

OUR RELATIONSHIP WITH YOU:

To go along with tax planning, we often get pretty **involved in preparing for tax filing**. We can assist you in getting ready for that annual visit to the tax man. If you get confused with what you need, what parts are important, etc., let us know and we can “take an inventory” of what your tax preparer will need from you.

New legislation referred to as the **SECURE ACT** came into effect the first of the year. I want to point out **ONE VERY IMPORTANT PROVISION in that legislation that can affect anyone who will turn 70½ in 2020 or later**. That includes myself and my wife Sue. We have been preparing for having to take about 3.5% of our IRA and pension money out and pay taxes on it this year. **GOOD NEWS!...THE NEW LAW DELAYED THAT HAVING TO OCCUR UNTIL AGE 72**. For anyone who turned 70½ in 2019 or before must still start the old mandatory withdrawal requirement. Since this change is so new, apparently many IRA and pension account custodians have put out what has been termed “confusing information” and in some cases “wrong” information. To be safe, if anyone is currently 69 or 70 they may have received faulty information about the need to withdraw funds this year. **Contact our office so we can fully explain the rule and keep your from paying taxes you don’t need to pay!**

CURRENT INVESTMENT THOUGHTS:

As I have been doing in my bulletins, I updated the chart on the next page to demonstrate the recent volatility and trend in the stock market as measured by the S&P100 index. As shown in prior newsletters, the primary purpose of this graph is to show the degree of participation of stocks within the index and therefore the under-lying strength of current market behavior. (The main chart in the middle of the page shows the percentage of stocks in the index trading **ABOVE** their 200 day moving average at the close of business each day during the 18 months period shown). At the January 2018 market high, 92+% of stocks were trading at a price above their 200 day moving average. At the most recent high in early January 2020, almost 90% of stocks were trading above their 200 day moving average.

You can see that since that high the percentage of stocks trading above that long term trend line has declined to about 70%. Even while the index itself went to new all time highs, the number of stocks participating in that move was declining.

From the Grandkids:



Tom and Sarah at Rose Bowl



Brooke, Gerry, Thomas and Sarah at USD

Morgan, Samantha, Allison, and Sue at School Christmas function

