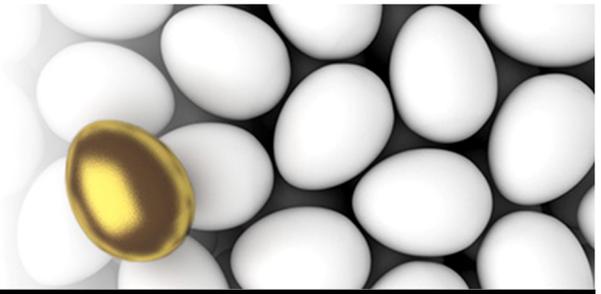




**INTERMOUNTAIN™
WEALTH MANAGEMENT**

Market Watch Newsletter

Q2 2018 ~ Volume 9, Issue 2



Tariffs and Free Trade

A heavily debated topic in the news the past few weeks is the issue of tariffs and free trade. There are two sides to this debate - those who want tariffs and those who advocate free trade. Both sides make strong cases. Let's discuss each point of view and then conclude with how this issue might affect U.S. Investors.

For Trade Tariffs

Those in favor of tariffs on foreign products coming into the United States claim it is all about fair trade. They are concerned that some of the trade deals with other countries benefit the other countries more than they benefit the United States. They believe there are countries who are not playing fair and taking advantage of the United States. They often point to China as an example.

I will share two examples from history I personally remember that might support this view. When I was a boy growing up, my family raised mink and sold the fur to companies who in turn would make fur coats. (A fur coat was a fashion statement in the late 60's-early 70's.) While U.S. exporters of fur to Europe had to pay a tariff, President Nixon lifted the tariff on European fur coming into the United States. This competitive advantage to foreign exporters played a big part in the decline of the U.S. fur industry. Shortly after, growing pressure from animal rights activists took its toll on the fur industry.

Many years ago, the United States was the leading producer of steel in the world. Today the U.S. ranks #5 behind India, Japan, Europe and China. In the 1970's the American steel producers no longer could effectively compete with low-wage producers abroad. Imported steel was often subsidized by their foreign governments and U.S. steel manufactures could not compete at the low prices and many businesses consolidated or went bankrupt. Other factors also included Union issues and the lack of modernization to remain competitive as technology changed.



To learn how Intermountain Wealth Management can help you manage your investments, please contact us.

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For Free Trade

Those who favor free trade agree that its not a perfect system, but the benefits of free trade outweigh the downside. Many large and small companies in the United States sell products around the world, Coca-Cola is found in every corner of the world. A large part of Caterpillar, John Deere, and many other companies' sales come from abroad. According to a New York Times article dated March 14, 2018, Boeing, which sends 80% of its commercial planes abroad, calls itself the nations largest manufacturing exporter. The company employs 137,000 people in the United States. Free trade allows U.S. companies to grow globally thus increasing sale and growth for businesses domiciled in the United States.



The U.S. Investor

Regardless of which side of the debate you favor, we think the rhetoric will have some impact on market volatility and it may cause some short-term market uncertainty; however, we don't think anyone wants to see a trade war break out. After the political posturing is done, and all the rhetoric has been shouted from global leaders, we think the global economy and company earnings will remain positive in 2018 and the markets will move higher.

Tax Season

Tuesday April 17th is the deadline for filing your taxes for 2017. Why is the day not April 15th? Washington DC is celebrating Emancipation Day on Monday April 16th. This gives you two additional days to file your tax return.

Your 2017 IRA contribution needs to be deposited by April 17, 2018. The IRA contribution limit is \$5,500 per individual. Those who reached age 50 or older in 2017 can make an additional "catch-up" contribution of \$1,000 for a total of \$6,500. IRA contributions in 2018 remain the same as 2017.



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