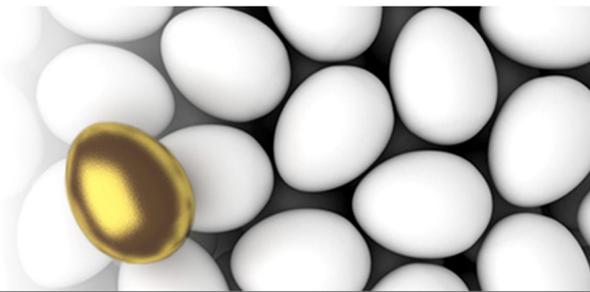




INTERMOUNTAIN™
WEALTH MANAGEMENT

Market Watch Newsletter

Q1 2018 ~ Volume 9, Issue 1



Market Watch Newsletter Q1 2018

What Should Investors Watch for in 2018

As we look forward to 2018 there are several things we know and many things we don't know. This is the time of year when many pundits will make predictions about future events and how the stock market will react. Some are right, some are wrong. Let's look at some of the events and changes taking place.

Tax Reform: The U.S. tax system has not changed for many years. In fact, Tax Reform is the biggest change to the Internal Revenue Code since 1986. It has incentives for businesses to invest, grow and keep more business in the United States by reducing the corporate tax rate from 35% to 21%. The intention is companies will keep more business in the United States, create more jobs and grow the economy. The passage of Tax Reform will act as a fiscal stimulus and help grow the economy. This will be good for investors.

Interest Rate Hikes: The Federal Reserve raised interest rates another 0.25% in December. The current Fed Fund Rate is 1.5%. The Federal Reserve signaled it will raise to 2% in 2018 and to 2.5% in 2019. Based on their past moves, this will mean two rate increases in 2018 and two increases in 2019. To put things in perspective, the highest Fed Funds Rate was 8.25% in January 1990. The lowest was 0% in December 2008.

Raising interest rates is a sign the Federal Reserve is feeling good about the economy going forward. It should not disrupt economic growth if the rate increases are measured, slow and gradual.

Market Risk: After a year like 2017, many investors have long-term memory loss about market risk. Prior to the declines in 2000 and again in 2008, people forgot about market risk and added more and more risk into their portfolios. When the music stops playing, some will not find a chair. Investors should stay focused on their goals and objectives and keep their investments allocated based on their own risk/reward tolerance. Don't let the excitement and hype in the market cause you to lose focus of what is most important for you.

Mature Bull Market: The current bull market is eight years old. U.S. stock valuations have been stretched. The S&P trailing twelve-month Price/Earnings Ratio (P/E) is currently at 25.12. The historical average P/E for the S&P 500 Index is 15.65. This is not to say the stock market won't go higher and continue on its bull run; however, it is important to remember where we are in this extended bull market cycle.

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

- **Phone: 208-522-3344**
- **Email: iwm@intmtwealthmgmt.com**

Intermountain Wealth Management is a Registered Investment Adviser. The company manages several fee-based portfolios comprised of various equity and fixed-income securities. Signals are provided as general information and are not investment recommendations. Past performance does not guarantee future performance. Opinions are based on historical research and data believed reliable. There is no guarantee results will be profitable. This brochure may include forward-looking statements. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we give no assurance that such expectations will prove to be correct. The S&P 500 Index is not a managed portfolio. Investors cannot invest directly in the S&P 500 Index; therefore, an investor's individual results may vary from the benchmark. Mutual Funds and Exchange Traded Funds (ETF's) are sold by prospectus. Please consider investment objectives, risk, charges and expenses carefully before investing. The prospectus, which contains this and other information, can be obtained by calling Intermountain Wealth Management.



INTERMOUNTAIN™
WEALTH MANAGEMENT

The Hurricane Indicator™

The Hurricane Indicator signals potential major trend changes in the stock market. *When the S&P 500 trend changes we adjust our investment models.*

Personal Investment Advice ▪ Confidence in Your 401(k) Assets ▪ Peace of Mind



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

- Phone: 208.522.3344
- Email: iwm@intmtwealthmgt.com

Intermountain Wealth Management is a registered investment advisory firm. The company manages several fee-based portfolios comprised of various equity and fixed-income investments. The Hurricane Indicator™ identifies potential changes in long-term market trends and does not guarantee performance in a client's account(s). The Hurricane Indicator™ is based on research and data believed to be reliable. Past performance does not guarantee future results and there is no guarantee results will be profitable. The Hurricane Indicator™ has given other signals; please ask for specific details. The S&P 500 is an index and cannot be purchased directly.

New for 2018

Website & Facebook: We are excited to announce that Intermountain Wealth Management will be adding additional information and content to our website and Facebook page in 2018. There will be more articles and videos for our clients to enjoy. We want to keep our website and social media fresh and up to date with information that matters to our clients.

Video Conference: Intermountain Wealth Management has the technology to host video conferencing with our clients. This is a great tool for reaching out to our clients who cannot come in to the office for a review or meeting. If you want to stay at home in your pajamas and have a meeting together, we can accommodate you - even if you are in your leisure wear.

New Investment Models: We have added two new investment models (Balanced and Growth) for a total of seven different models clients can choose from based on their risk/reward tolerance. Self-Directed, Bond, Conservative, Moderate, Balanced, Growth and Aggressive. During our next meeting we will visit to make sure you are in the right model for your objectives and goals.

Intermountain Wealth Management is a Registered Investment Adviser. The company manages several fee-based portfolios comprised of various equity and fixed-income securities. Signals are provided as general information and are not investment recommendations. Past performance does not guarantee future performance. Opinions are based on historical research and data believed reliable. There is no guarantee results will be profitable. This brochure may include forward-looking statements. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we give no assurance that such expectations will prove to be correct. The S&P 500 Index is not a managed portfolio. Investors cannot invest directly in the S&P 500 Index; therefore, an investor's individual results may vary from the benchmark. Mutual Funds and Exchange Traded Funds (ETF's) are sold by prospectus. Please consider investment objectives, risk, charges and expenses carefully before investing. The prospectus, which contains this and other information, can be obtained by calling Intermountain Wealth Management.