



Market Commentary July 15, 2019

Dear Investors:

The bulls are running.

Last week, the Standard & Poor's 500 Index set a new record, closing above 3,000 for the first time. Other major U.S. stock indices also finished at record highs, reported *Barron's*.

Company fundamentals, investor sentiment, and geopolitics all have the power to push stock prices higher. However, according to *Financial Times*, last week's gains were attributed to Federal Reserve Chair Jerome Powell's testimony before Congress and the expectation the Federal Reserve will lower the Fed funds rates in July.

Financial Times reported:

“Mr. Powell laid out the case for monetary easing by highlighting some softness in indicators such as business fixed investment and persistently low inflation. But mostly, he stressed the impact of uncertainty stemming from trade tensions, weak global growth, the possibility that the U.S. Congress fails to raise the debt ceiling, and a no-deal Brexit.”

Investors were encouraged by the possibility of monetary easing. *Yardeni Research* charted data showing the Investors Intelligence bull/bear ratio rose to 3.1 on July 9. It was 2.94 on June 25 and 3.05 on July 2, which indicates bullishness has been increasing.

An Investors Intelligence bull/bear ratio greater than 1 typically indicates high levels of bullishness, while a bull/bear ratio of less than 1 typically indicates high levels of bearishness. The ratio generally is considered a contrarian indicator, explained *Investing Answers*.

Year-to-date, the Standard & Poor's 500 Index is up 20.2 percent.

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Data as of 7/12/19	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 (Domestic Stocks)	0.8%	20.2%	7.7%	11.9%	8.8%	12.8%
Dow Jones Global ex-U.S.	-0.6	11.5	-2.3	5.9	0.0	4.7
10-year Treasury Note (Yield Only)	2.1	NA	2.9	1.5	2.6	3.4
Gold (per ounce)	1.4	9.8	13.0	1.6	1.5	4.5
Bloomberg Commodity Index	2.4	5.6	-3.6	-2.5	-9.1	-3.4

S&P 500, Dow Jones Global ex-US, Gold, Bloomberg Commodity Index returns exclude reinvested dividends (gold does not pay a dividend) and the three-, five-, and 10-year returns are annualized; and the 10-year Treasury Note is simply the yield at the close of the day on each of the historical time periods.

Sources: Yahoo! Finance, MarketWatch, djindexes.com, London Bullion Market Association.

Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly. N/A means not applicable.

AN AUCTION THE YELNATS WOULD APPRECIATE. Sneakers play an important role in the film *Holes*. Stanley Yelnats IV is arrested for stealing a pair and his father, Stanley Yelnats III, spends his time trying to invent a cure for sneaker odor.

The Yelnats would probably be interested in an upcoming Sotheby's auction which features 100 pairs of rare sneakers. You see, sneakers have become collectibles, like fine art.

The Wall Street Journal explained, "Collecting limited-edition sneakers has evolved from the past time of a loopy subculture to a booming mainstream passion."

Collectors of fine sneakers are known as sneakerheads. During the Sotheby's auction, they'll have opportunities to invest in:

- A pair of sneakers handmade for the 1972 Olympic trials, featuring a waffle tread inspired by the designer's wife's waffle iron.
- Two pairs "...inspired by Marty McFly's kicks in *Back to the Future Part II*. Both pairs were part of limited releases, originally sold to benefit The Michael J. Fox Foundation for Parkinson's Research."
- A pair of sneaks produced "...in collaboration with famed fashion house Chanel. The shoe released only at a special Chanel pop-up shop at Colette in Paris in extremely limited quantities..."
- 2017's sneaker of the year, which the auction catalogue touted as a "...shoe absolutely everybody wants but few can get."
- A pair "...released exclusively in NYC at the Museum of Modern Art [MoMA]. All pairs sold out almost instantly at MoMA on January 27 at the shoe's only release. This design is truly a work of sneaker art."

In case you're wondering, the starting bid for the handmade Olympic sneakers is \$80,000.

Even if you don't find sneakers lovely, and wouldn't display them above the fireplace in your living room or mount them in your trophy room, you may want to check your closets for collectibles.

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Weekly Focus – Think About It

“Collecting facts is important. Knowledge is important. But if you don't have an imagination to use the knowledge, civilization is nowhere.”

--Ray Bradbury, American author

Best regards,

SYMPHONY FINANCIAL SERVICES, INC.

P.S. Please feel free to forward this commentary to family, friends, or colleagues. If you would like us to add them to the list, please reply to this email with their email address and we will ask for their permission to be added.

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- * Government bonds and Treasury Bills are guaranteed by the U.S. government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value. However, the value of fund shares is not guaranteed and will fluctuate.
- * Corporate bonds are considered higher risk than government bonds but normally offer a higher yield and are subject to market, interest rate and credit risk as well as additional risks based on the quality of issuer coupon rate, price, yield, maturity, and redemption features.
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- * All indexes referenced are unmanaged. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment.
- * The Dow Jones Global ex-U.S. Index covers approximately 95% of the market capitalization of the 45 developed and emerging countries included in the Index.
- * The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.
- * Gold represents the afternoon gold price as reported by the London Bullion Market Association. The gold price is set twice daily by the London Gold Fixing Company at 10:30 and 15:00 and is expressed in U.S. dollars per fine troy ounce.
- * The Bloomberg Commodity Index is designed to be a highly liquid and diversified benchmark for the commodity futures market. The Index is composed of futures contracts on 19 physical commodities and was launched on July 14, 1998.
- * The Dow Jones Industrial Average (DJIA), commonly known as “The Dow,” is an index representing 30 stock of companies maintained and reviewed by the editors of The Wall Street Journal.
- * The NASDAQ Composite is an unmanaged index of securities traded on the NASDAQ system.
- * International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors. These risks are often heightened for investments in emerging markets.
- * Yahoo! Finance is the source for any reference to the performance of an index between two specific periods.
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