



Market Commentary March 20, 2017

Dear Investors:

Three steps and no stumble...

Technical analyst Edson Gould developed a market rule of thumb known as 'three steps and a stumble.' It states stock prices may fall after the Federal Reserve (Fed) raises the Fed funds rate three times in a row without a decline, according to *Market Technicians Association*.

The idea is three increases show the Fed is serious about keeping rates at a relatively high level for a significant length of time. Higher interest rates could potentially mean higher costs and lower profits for businesses. As a result, stock investors may sell shares and share prices may fall.

Last week, with employment and inflation data approaching Fed targets, the Federal Open Market Committee raised rates for the third time, pushing the Fed funds target rate into the 0.75 percent to 1 percent range, reported *Financial Times*:

"Fed policymakers' forecasts for growth and inflation remained little changed, with growth tipped to be 2.1 percent this year and next year, slipping to 1.9 percent in 2019. Core inflation is set to be 1.9 percent in 2017 and 2 percent in the two following years. The possibility of looser fiscal policy emerging from Congress has triggered speculation that the central bank will have to further accelerate its rate-rising campaign, but a number of policymakers are insistent that they want to see firmer plans emerging from Congress before making a call on the impact of possible tax cuts on the economy."

Major U.S. stock market indices finished the week higher, as did most markets in Europe and Asia. *MarketWatch* indicated Asian markets were encouraged by indications the Fed may not increase rates as often as expected this year, and *CNBC* reported European markets were boosted by a better-than-expected outcome for mainstream parties in Dutch elections.

4100 Embassy Parkway, Suite 100, Akron, Ohio 44333-1783
330-434-2000 / Fax: 330-665-1515
www.symphony-financial.com

Securities offered through LPL Financial, Member FINRA/SIPC. Investment advice offered through Symphony Financial Services, Inc., a registered investment advisor and separate entity from LPL Financial.

Data as of 3/17/17	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 (Domestic Stocks)	0.2%	6.2%	16.6%	8.6%	11.0%	5.4%
Dow Jones Global ex-U.S.	2.4	7.8	10.8	-0.4	2.0	-0.6
10-year Treasury Note (Yield Only)	2.5	NA	1.9	2.7	2.4	4.6
Gold (per ounce)	2.2	6.1	-2.9	-3.7	-5.8	6.5
Bloomberg Commodity Index	1.0	-2.7	4.8	-14.1	-10.3	-6.5
DJ Equity All REIT Total Return Index	2.3	1.1	5.5	10.3	10.1	4.8

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; the DJ Equity All REIT Total Return Index does include reinvested dividends 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, Barron's, 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.

I SPY WITH MY LITTLE EYE...ROBOTS!

If you take a cruise anytime soon, the bartender may not be able to lend an ear. According to *Financial Times*, one cruise line has installed robotic bartenders that produce one drink per minute per arm, and can make up to 120 drinks an hour.

It's not just cruise lines, either. The food industry in the United States is automating. *Financial Times* described food preparation at a pizza restaurant in California:

"...Pepe squirts tomato sauce on to a pizza base before his colleague Marta spreads it; Noel has 22 seconds to correct any imperfections and add cheese and other toppings, after which Bruno takes the pizza from the line and places it in the oven. But on this production line, only Noel is human. The others – anthropomorphised by name only – are machines conducting tasks usually performed by people."

The restaurant has 75 human employees who earn about \$18.00 an hour. They all are given opportunities to take coding classes so they can better understand and manage robots as well as the artificial intelligence used to evaluate delivery routes.

Then, there is Sally, a robot offered by a food robotics firm. Sally can produce "... fully-customized, fresh, and healthy salads. Sally's proprietary technology dispenses measured quantities of more than 20 ingredients – refreshed daily – to create a ready-to-eat meal any time of day." Alternate versions of this robot will offer Mexican and Indian food choices.

Competition for employees is becoming a significant issue in the restaurant industry, reported the *National Restaurant Association*. More than a quarter of restaurant operators, who participated in a January 2017 survey, said recruiting and retaining employees is the single most important challenge they face – a 9 percent jump from 2015. That's the highest level since October 2007.

4100 Embassy Parkway, Suite 100, Akron, Ohio 44333-1783

330-434-2000 / Fax: 330-665-1515

www.symphony-financial.com

Securities offered through LPL Financial, Member FINRA/SIPC. Investment advice offered through Symphony Financial Services, Inc., a registered investment advisor and separate entity from LPL Financial.

Soon, the attraction for young children at burger joints may be watching robotic characters pull together kids' meals!

Weekly Focus – Think About It

“There is a point in every contest when sitting on the sidelines is not an option.”

--Dean Smith, Former Head Coach, University of North Carolina Tar Heels [10]

Best regards,



John Y. Kim, J.D., LL.M.
President

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 e-mail with their e-mail address and we will ask for their permission to be added.

Securities offered through LPL Financial, Member FINRA/SIPC.

- * 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.
- * The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. You cannot invest directly in this index.
- * All indices 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 DJ Equity All REIT Total Return Index measures the total return performance of the equity subcategory of the Real Estate Investment Trust (REIT) industry as calculated by Dow Jones.

4100 Embassy Parkway, Suite 100, Akron, Ohio 44333-1783

330-434-2000 / Fax: 330-665-1515

www.symphony-financial.com

Securities offered through LPL Financial, Member FINRA/SIPC. Investment advice offered through Symphony Financial Services, Inc., a registered investment advisor and separate entity from LPL Financial.

- * Yahoo! Finance is the source for any reference to the performance of an index between two specific periods.
- * These views are those of Peak Advisor Alliance, and not the presenting Representative or the Representative's Broker/Dealer, and should not be construed as investment advice.
- * This newsletter was prepared by Peak Advisor Alliance. Peak Advisor Alliance is not affiliated with the named broker/dealer.
- * Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance.
- * Economic forecasts set forth may not develop as predicted and there can be no guarantee that strategies promoted will be successful.
- * Past performance does not guarantee future results. Investing involves risk, including loss of principal.
- * You cannot invest directly in an index.
- * Consult your financial professional before making any investment decision.
- * Stock investing involves risk including loss of principal.

Sources:

- [1] <https://www.mta.org/kb/three-steps-and-a-stumble/>
- [2] <http://financial-dictionary.thefreedictionary.com/three+steps+and+stumble+rule>
- [3] <https://www.ft.com/content/6723f69c-09a4-11e7-ac5a-903b21361b43> (or go to https://s3-us-west-2.amazonaws.com/peakcontent/+Peak+Commentary/03-20-17_FinancialTimes-Fed_Increases_Interest_Rates_as_Inflation_Pressures_Loom-Footnote_3.pdf)
- [4] http://www.barrons.com/mdc/public/page/9_3063-economicCalendar.html (click on U.S. & Intl Recaps, select "The central banks have spoken," and scroll down to the Global Stock Market Recap) (or go to https://s3-us-west-2.amazonaws.com/peakcontent/+Peak+Commentary/03-20-17_Barrons-Global_Stock_Market_Recap-Footnote_4.pdf)
- [5] <http://www.marketwatch.com/story/asian-markets-roar-to-life-after-fed-hikes-rates-2017-03-15>
- [6] <http://www.cnbc.com/2017/03/16/markets-cheer-dutch-election-results-but-future-elections-cause-concern.html>
- [7] <https://www.ft.com/content/71e8c01e-fac0-11e6-9516-2d969e0d3b65> (or go to https://s3-us-west-2.amazonaws.com/peakcontent/+Peak+Commentary/03-20-17_FinancialTimes-Burgers_and_Microchips_on_the_Menu_for_US_Fast-food_Chains-Footnote_7.pdf)
- [8] <http://www.prnewswire.com/news-releases/chowbotics-raises-5-million-for-bringing-robotics-to-the-food-industry-300420903.html>
- [9] <http://www.restaurant.org/News-Research/News/Demographic-trends-illustrate-importance-of-foreign>
- [10] <http://www.success.com/mobile/article/19-inspiring-quotes-from-ncaa-basketballs-greatest-coaches>

4100 Embassy Parkway, Suite 100, Akron, Ohio 44333-1783
 330-434-2000 / Fax: 330-665-1515
www.symphony-financial.com

Securities offered through LPL Financial, Member FINRA/SIPC. Investment advice offered through Symphony Financial Services, Inc., a registered investment advisor and separate entity from LPL Financial.