

Market Commentary for the Week of July 3, 2017

Happy 4th!



The week will be a little crazy for us with markets open Monday until 1:00 PM EST and of course closing for the 4th on Tuesday. Trading is back open Wednesday for a really abbreviated week.

A record 44.2 million people will travel 50 miles or more for the Fourth of July holiday weekend, up 1.25 million from 2016 according to AAA. Most travelers, 37.5 million will drive, up 2.9% from last year thanks to cheaper gas. I believe there is a more important factor motivating people today - Pride in our country is coming back strong. Last year in the midst of all of the campaign rhetoric people were disillusioned; what a difference a year makes.

Anyway, we enter this shortened week with the market uptrend under pressure.



Since January 1, the Dow Jones Industrial Average is up 8.0%, the NASDAQ is up 14.10%, the S&P 500 is up 8.2%, with the NYSE trailing at up 4.74%. This is a huge contrast from last year when the markets clocked the worst start to a new year, down 16% in the first five weeks. Again, what a difference a year makes. U.S. stock indexes stepped hesitantly Friday, with the direction mixed and volume light. June proved to be a negative month for the NASDAQ, ending a streak of seven monthly advances in a row. The S&P 500 had no long streak at stake and rose for the third straight month in a row. With the summer season upon us, a pullback often emerges. We may be grateful at this point to have a meaningful pullback that could set the stage for a vigorous rally.

It appears a couple of months ago we were starting a real sector rotation, but that action quickly faded. Now, however with many bank regulations implemented by the last two administrations being struck down, I believe sector rotation is upon us.

Back to the increased travel for a minute, other sectors of the leisure industry are picking up. People are feeling better. Forget the fake news!

The Fed also thinks things are better. Not only did the central bank hike rates a quarter point, but it also declared its intent to begin gradually scaling back its \$4.5 trillion balance sheet this year on top of two more hikes over the next 18 months. Personally, I thought Janet Yellen would be long gone by now; dispatched for retirement by President Trump. However, it looks like she is getting with the program.

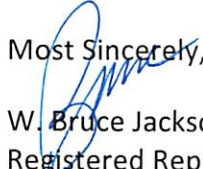
At the office it has been a very good second quarter. We celebrated DeAnn's birthday this past Friday. As you would recall DeAnn came to us as Director of Operations in the middle of last December to help streamline the business. Between her efforts and Chris's attention to detail the office is running as smoothly and efficiently as ever.

On a personal note, Mom is still recovering with us. A couple of weeks ago she had a setback but things seem to be on the upswing now. Her heart is doing well though. That kept Penny and I from getting to Kansas to see Emily, but Emily is coming home for a week in August. As I remind Penny, that really means she flies in to spend the night and then heads to the Outer Banks to spend the next 5 days with her best friend Alyssa. Then she comes back home for 1 night before we take her back to the airport to head to Kansas.

Big Man is doing well, Friday marked the end to summer session I and Wednesday starts summer session II. It does look like he will be home in August for a week also. The problem is that it is not the same week Emily will be here. It has been nearly impossible for all of us to be in the same state at the same time since the kids went off to college. My brother and I are going down to the Citadel in a week or so for the weekend. Uncle Greg has not been to the Citadel so the guys will be together for a couple of days. This time at least I will have someone to help with the driving.

Thank you for taking the time to read this commentary. As always, we are here to help with anything we can do for you.

Most Sincerely,


W. Bruce Jackson, CLU, ChFC, CAP
Registered Representative
Investment Advisory Representative
Insurance Consultant and Broker