

August 31, 2018

Dear Investors,

Two weeks ago, I discussed the extraordinarily high volume positive move higher on August 16th and how that may be setting up another surge higher in which all of the major indices reach new all-time highs. The S&P 500, NASDAQ Composite and Russell 2000 all reached new all-time highs on Wednesday August 29th. The Dow Jones Industrial Average reached a seven-month high but was still 500 points lower than its all-time high. The Russell 2000 finished the month at a new all-time high and the NASDAQ was just pennies shy of surpassing its Wednesday's high. Therefore, despite increasing bearish divergences, I would not be surprised to see the Industrials surge to a new all-time high as all four major indices peak at the same time.

The Dow Jones Industrial Average finished the month at 25,964.82 by gaining 295.50 points, or 1.15%, over the last two weeks and is up 5.0% this year. The S&P 500 Index added 51.39, or 1.8%, over the last two weeks to finish the summer at 2,901.52, and is up 8.5% this year. The NASDAQ Composite continues to soar by gaining 293.21 points, or 3.75%, to finish August at 8,109.54, and is up 17.5% this year. The Russell 2000 added 47.80 points, or 2.8%, to close the month at 1,740.75, and is up 13.4% this year. Gold started to turn higher as it is \$15.10 more per ounce than it was two weeks ago finishing the month at 1,206.90, and is down 7.5% this year.

As expected, the trading volume was very low during August which helped to exaggerate market moves up and down. When U.S. trade negotiations were positive, the markets moved higher and when they seemed to stall, the markets moved lower. These short-term moves based on geo-political news have overshadowed the big picture. As the summer comes to an end, the markets can best be described by the ocean waves at the beach. A higher wave is more fun but the undertow is still strong and dangerous.

From a technical aspect, when the S&P surpassed its January high, it accelerated buying to move the markets higher as suggested. There was a small change in the McClellan Oscillator index on Friday which often means that a large price move is coming. The trading volume traditionally increases after Labor Day, and I would not be surprised to see that large move higher. Conversely, as traders return from vacation, you could see significant profit taking to pull the markets down sharply. The technical indicators for the Dow are neutral but are pointing toward more buying for the NASDAQ and Russell, which is why a move higher in the short-term is probably more likely. September is traditionally the roughest month for the markets and they could be poised for another correction after this week.

Do you have money sitting in a previous employer's 401(k) plan? If so, then you may want to consider taking control of your retirement assets. Gathering your assets in one place is the first step to identifying and building a financial plan. Once you have a plan, it is important to stay on course. If you do not have a financial plan, then our retirement

spending worksheet can help you identify your retirement needs and it is part of our B.E.L.I.E.V.E. Wealth Management process.

I encourage you to friend us on Facebook for timely financial tips and share the benefit with your family and friends to learn how our no-obligation consultation could be the first step toward your retirement goal. Please call our office or email info@summitasset.com.

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Fibonacci Phi Date (also known as Fibonacci Time Extensions) is a technical indicator used to seek to identify the timing of significant price movement in the market, and is based on the Fibonacci Number Sequence.

The Hindenburg Omen is a combination of technical factors that attempt to measure the health of the NYSE, and by extension, the stock market as a whole. The goal of the indicator is to signal increased probability of a stock market crash.

The McClellan Oscillator is a market breadth indicator used in technical analysis by financial analysts of the New York Stock Exchange to evaluate the balance between the advancing and declining stocks.

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The economic forecasts set forth in the presentation may not develop as predicted and there can be no guarantee that strategies promoted will be successful. All performance referenced is historical and is no guarantee of future results.

The Standard & Poor's 500 Index is a capitalization weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

The Dow Jones Industrial Average is comprised of 30 stocks that are major factors in their industries and widely held by individuals and institutional investors.

The NASDAQ Composite Index measures all NASDAQ domestic and non-U.S. based common stocks listed on The NASDAQ Stock Market.

The Russell 2000 Index is an unmanaged index generally representative of the 2,000 smallest companies in the Russell 3000 index, which represents approximately 10% of the total market capitalization of the Russell 3000 Index.

The Blue Chip Index is a stock index that tracks the shares of the top-performing publicly traded companies. These indices are unmanaged, which cannot be invested into directly.

Precious metal investing involves greater fluctuation and potential for losses.

Past performance is no guarantee of future result.