

Commentary

September 28, 2015

The Markets

Oh, the uncertainty!

Investors are keeping one eye on the Federal Reserve and the other on politicians trying to determine what may happen during the last quarter of the year.

The Fed, which is the central bank of the United States, is responsible for conducting monetary policy with an eye toward full employment and stable prices. If, as St. Louis Fed President James Bullard told *Reuters*, the economy is near full employment and inflation is sure to rise, then why didn't the Fed raise rates in September?

Reuters reported voting members of the Federal Open Market Committee (FOMC) decided uncertainty in global markets had the potential to negatively affect domestic economic strength. Mr. Bullard believes the decision puts an October increase in doubt, too, according to *Nasdaq.com*. Mr. Bullard told reporters:

"For the committee, it's always hard to have made a big decision at one meeting and come back at the next meeting. The key question will be what kind of data did you get during the intervening period that changed your mind, and it's not that clear what data we will have in hand in October that we would be able to cite to support my position, relative to what we had at the September meeting. But it is possible."

Regardless, Chairwoman Janet Yellen made it clear last week she expects to see a rate hike before year-end. That might have helped settle markets, except Speaker of the House John Boehner resigned soon after Yellen spoke. The Speaker's resignation made a government shutdown this week less likely, according to *Barron's*. However, fiscal policy issues haven't been resolved. A meeting of the political minds this week would set the stage for a mid-December showdown and that's data the Fed will have to consider if the December FOMC meeting occurs amidst a government shutdown and debt-ceiling crisis.

No one seemed to be happy with the state of affairs this week, and stock markets were awash in red ink.

Data as of 9/25/15	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 (Domestic Stocks)	-1.4%	-6.2%	-1.8%	10.2%	11.1%	4.7%
Dow Jones Global ex-U.S.	-3.4	-9.2	-13.7	0.2	-0.1	0.9
10-year Treasury Note (Yield Only)	2.2	NA	2.5	1.7	2.5	4.3
Gold (per ounce)	0.5	-4.4	-5.5	-13.5	-2.4	9.5
Bloomberg Commodity Index	0.9	-15.2	-25.7	-15.5	-8.7	-6.6
DJ Equity All REIT Total Return Index	-0.3	-4.7	8.4	9.0	11.6	6.9

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.

WHAT WILL THEY SAY? Soon, cars will be able to talk with one another. Vehicle-to-vehicle communication (V2V) has been tested in Ann Arbor, Michigan, a relatively mild and polite Midwestern town. Now, V2V is being rolled out in New York City, along with technology that allows traffic signals to contribute their two cents. Just imagine what a New York cab might have to say to another New York cab that changes lanes without signaling.

Okay, it's nothing like that.

The idea is to reduce traffic accidents. If a dangerous situation arises an alert sounds. *Gizmodo.com* described it like this:

"These sensors send out signals over a specific wireless spectrum band and also receive them from other vehicles, creating a network of communicating sensors that ping when there's danger... A secondary form of the technology, called Vehicle-to-Infrastructure, does the same thing – but with sensors embedded in stop signs, traffic lights, and other pieces of road infrastructure."

Soon, people will be able to install V2V on smartphones so they can ping a warning to approaching cars as well.

While V2V seems like a good idea, pinging a warning to a distracted driver moments before a crash and expecting them to respond appropriately may be asking too much. *The Economist* suggests that automation – giving vehicles the ability to take over – cannot be far behind. “Depending on how you look at it, that’s a good thing – or terrifying... opening cars and buses up to computerized control also means opening them up to hackers... Imagine the fun they could have if thousands more vehicles could be controlled from computers or smartphones.”

Ultimately, intelligent transportation systems are expected to optimize the number of vehicles that can use roadways, helping save money that would otherwise be spent on expanding infrastructure to accommodate population growth.

Weekly Focus – Think About It

“Forgiveness is the fragrance that the violet sheds on the heel that has crushed it.

--Mark Twain, American writer

* 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.

* 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.

* The Standard & Poor’s 500 (S&P 500) is an unmanaged index. 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.

* Yahoo! Finance is the source for any reference to the performance of an index between two specific periods.

* 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:

http://www.federalreserve.gov/faqs/about_12594.htm

<http://www.reuters.com/article/2015/09/19/usa-fed-idUSL1N11P0N120150919>

<http://www.nasdaq.com/article/feds-bullard-prudent-fed-policy-calls-for-higher-shortterm-rates--2nd-update-20150925-00433>

http://www.barrons.com/articles/vw-offers-a-lesson-in-perfidy-so-does-turing-pharmaceuticals-1443248114?mod=BOL_hp_we_columns# (or go to

http://peakclassic.peakadvisoralliance.com/app/webroot/custom/editor/09-28-15_Barrons-VW_Offers_a_Lesson_in_Perfidy-Footer_4.pdf

http://www.barrons.com/mdc/public/page/9_3063-economicCalendar.html?mod=BOL_Nav_MAR_hpp (click on U.S. & Intl Recaps, "What's eating equities", then scroll down to the Global Stock Market Recap Chart) (or go to

http://peakclassic.peakadvisoralliance.com/app/webroot/custom/editor/09-28-15_Barrons-Global_Stock_Market_Recap_Chart-Footer_5.pdf

<http://gizmodo.com/10-000-nyc-vehicles-are-going-to-test-the-governments-c-1730653849>

<http://www.economist.com/blogs/gulliver/2015/09/car-talk> (or go to

http://peakclassic.peakadvisoralliance.com/app/webroot/custom/editor/09-28-15_TheEconomist-New_York_Pilots_a_Scheme_to_Allow_Vehicles_to_Communicate-Footer_7.pdf

<http://www.govtech.com/transportation/How-Transportation-Technologies-Will-Change-Everything-.html>

<http://www.brainyquote.com/quotes/quotes/m/marktwain109919.html>



Email Me About This Topic
Or feel free to email me about anything that I can assist you with.



Schedule an Appointment
Let's get together and work on your life and financial plans.



RAI Wealth
1700 Park Street, Suite 110
Naperville, IL
60563

<http://www.raiwealth.com>

[Unsubscribe](#)

All information herein has been prepared solely for informational purposes, and it is not an offer to buy or sell, or a solicitation of an offer to buy or sell any security or instrument or to participate in any particular trading strategy. Securities and investment advisory services offered through National Planning Corporation (NPC), NPC of America in FL & NY, Member FINRA/SIPC, and a Registered Investment Adviser. Registered Representatives of NPC may transact securities business in a particular state only if first registered, excluded or exempted from Broker-Dealer, agent or Investment Adviser Representative requirements. In addition, follow-up conversations or meetings with individuals in a particular state that involve either the effecting or attempting to effect transactions in securities, or the rendering of personalized investment advice for compensation, will not be made absent compliance with state Broker-Dealer, agent or Investment Adviser Representative registration requirements, or an applicable exemption or exclusion. Retirement Advisors, Inc., FMG, LLC and NPC are separate and unrelated companies. Unless otherwise noted, all videos and presentations are developed and produced by FMG, LLC. Services mentioned may be offered through third parties. NPC Privacy Policy

100307