June 10, 2016

Dear Investors,

Last week, the S&P 500 Index fell short of its November 3, 2015 high. When the broad market index broke through that level early this week, it changed the technical wave mapping and future projections. The next two key technical levels are at 2,120, which is a longer downward trend ceiling, and at 2,130, which was the all-time high on May 22, 2015. On Wednesday, the S&P spiked up to 2,120 and closed at 2.119, but fell about 1% on Thursday and Friday. If the S&P 500 breaks through 2,120, then it is very likely that the markets will retest their all-time highs. If the markets do not break through 2,120, then this supports the technical premise that the markets are in for a prolonged downward trend.

The Dow Jones Industrial Average was the only major index to finish the week in positive territory adding 58.28 points, or 0.3%, to close at 17,865.34, and is up 2.5% this year. The S&P 500 Index slipped 3.06 points, or -0.15%, this week to close at 2,096.07, and is up 2.55% this year. The NASDAQ Composite lost 47.97 points, or -1.0%, this week to close at 4,894.55, and is down 2.2% this year. The Russell 2000 was virtually unchanged this week, slipping 0.21 points to close at 1,163.93, and is up 2.4% this year.

This week, the Federal Reserve will announce its decision on interest rates. The speculation surrounding this decision has been a catalyst for the markets over the last few weeks. The markets declined from their April highs because investors believed that the Fed would raise interest rates in June. However, disappointing GDP data two weeks ago and a disastrous jobs report last week have led investors to believe that the Fed will not raise interest rates this week. If you think about this for a moment, then you will understand just how dangerous this investment reasoning is to the average investor. If the Fed does not raise rates this week, then I do not believe that they will raise them in July or September. The economic data does not look like it is stronger than it was last month and I cannot see a significant improvement in the June jobs report since the May revisions were so steep. A rate hike would be too close to the election. Therefore, much like the December hike, I believe that the Fed may be forced to raise rates this week to provide legitimacy to their statements.

From a technical aspect, I discussed the upside possibilities above. On the downside, 2,025 is a critical support level. If the S&P breaks through that level before retesting its high, then we could see a steep decline similar to last August or January. The next Fibonacci phi mate turning date is projected to be on or about August 25th.

The downside risks to this market are far greater than the upside potential. This may be a great time to take some profits or rebalance or reallocate your portfolio. If you want to discuss your financial plan, risk analysis, and/or tax strategies or would like to refer a friend or family member, then please call our office or email info@summitasset.com. It is time to put our B.E.L.I.E.V.E. Wealth Management process to work for you.

Regards,

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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 opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. To determine which investment(s) may be appropriate for you consult your financial advisor prior to investing.

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.

Past performance is no guarantee of future result.