

August 10, 2018

Dear Investors,

The Dow Jones Industrial Average and S&P 500 Index may have finished their current wave higher on Tuesday, August 7<sup>th</sup>. This wave higher, which began three trading days before the July 3<sup>rd</sup> Fibonacci phi mate date and appears to have finished one day before the August 8<sup>th</sup> Fibonacci phi mate turning date, saw the Dow gain more than 1,700 points. The previous Fibonacci phi mate date occurred on May 21<sup>st</sup>, one day before its scheduled date, and marked a top that led to a 700 point decline into the June 28<sup>th</sup> bottom. The March 14<sup>th</sup> phi mate date occurred on March 12<sup>th</sup> and led to a 2,100 point decline in the Dow. Finally, the February 6<sup>th</sup> phi mate date occurred with the market bottom on February 9<sup>th</sup> and led to a 2,100 point increase in the Dow. This non-technical trend identifier is like market voodoo. The next Fibonacci phi mate date is October 2<sup>nd</sup>. Will the markets trend lower over the next seven weeks?

The Dow Jones Industrial Average lost 149.44 points, or -0.6%, this week to close at 25,313.14, and is up 2.4% this year. The S&P 500 Index slipped 7.07 points, or -0.25%, to finish the volatile week at 2,833.28, and is up 6.0% this year. The NASDAQ Composite added 27.10 points, or 0.55%, to close at 7,839.11 this week, and is up 13.55% this year. The Russell 2000 gained 13.43 points, or 0.8%, to close this week at 1,686.80, and is up 9.8% this year. Gold slipped \$2.70 this week to close at \$1,219.20, and is down 6.4% this year.

Corporate earnings continue to be strong. However, global markets are very weak and it is only a matter of time before that contagion hits the U.S. markets. Friday's sell-off was sparked by a decline in the Turkish lira. The plunge in global markets could set up a precursor for the next bull market in precious metals. Meanwhile, it appears as though the Federal Reserve will not raise rates four more times this year.

From a technical aspect, the S&P 500 came within 9 points of its January high but the Dow was still 1,000 points away from its high. Generally, a retest of the high-water mark would be a lot closer and even right up to the previous level so there is a possibility that the decline over the last three days is a correction of the five-week rally. However, Friday's decline did some technical damage to the markets. The markets were over-bought and now we are heading into a period of traditionally lower volume. The lower volume can exaggerate moves to the up or down side.

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](mailto: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.*

*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.*

*Precious metal investing involves greater fluctuation and potential for losses.*

*Past performance is no guarantee of future result.*