**Horizon Wealth Management**

**Weekly Market Commentary**

**November 26, 2018**

**The Markets**

It was a turkey of a week.

The United States and China continued to spar over trade and other issues. An expert from Moody’s told Frank Tang of the *South China Morning Post* *(SCMP)* the United States-China dispute will not be easily resolved:

“Look at the speech Vice President Pence gave in Papua New Guinea at the Apec conference. He didn’t just talk about trade, but also intellectual property, the South China Sea, forced technology transfers. So there’s a whole long list of issues the U.S. administration is now raising…”

*Financial Times* reported the Organization for Economic Coordination and Development (OECD) anticipates global economic growth could stumble if trade tensions escalate.

*SCMP* reported investors are hoping for greater clarity around trade issues when President Donald Trump meets with China’s President Xi Jinping at next week’s G-20 Summit.

The climate report added a new dimension to uncertainty about economic growth last week, reported *Fortune*. Black Friday shoppers may have missed it, but the U.S. government released the 4th National Climate Assessment on Friday. Ed Crooks of *Financial Times* summarized some of the report’s economic findings:

“The largest costs of climate change for the United States this century were expected to come from lost ability to work outdoors, heat-related deaths, and flooding…If [greenhouse gas] emissions are not curbed it warns, ‘it is very likely that some physical and ecological impacts will be irreversible for thousands of years, while others will be permanent.’”

Major U.S. stocks indices finished the week lower. It was the biggest drop during Thanksgiving week since 2011, according to *CNBC.com*.

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| --- | --- | --- | --- | --- | --- | --- |
| **Data as of 11/23/18** | **1-Week** | **Y-T-D** | **1-Year** | **3-Year** | **5-Year** | **10-Year** |
| Standard & Poor's 500 (Domestic Stocks) | -3.8% | -1.5% | 1.2% | 8.1% | 7.9% | 12.0% |
| Dow Jones Global ex-U.S. | -1.4 | -13.6 | -12.1 | 2.3 | -0.4 | 5.7 |
| 10-year Treasury Note (Yield Only) | 3.1 | NA | 2.3 | 2.3 | 2.7 | 3.3 |
| Gold (per ounce) | 0.1 | -5.6 | -5.2 | 4.6 | -0.3 | 4.1 |
| Bloomberg Commodity Index | -2.9 | -7.6 | -6.3 | 0.0 | -8.0 | -4.1 |
| DJ Equity All REIT Total Return Index | -1.2 | 1.5 | 0.5 | 6.8 | 9.7 | 15.3 |

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.

**AMericans are hard working and generous.** Take a guess: How many hours do Americans work each year relative to Europeans?

Here are a few hints provided by *The Economist and Expatica*:

* The average American has 23 vacation days each year.
* The Spanish and the Swedes average 36 vacation days each year.
* Workers in the European Union are guaranteed at least 20 paid days of holiday each year, excluding public holidays.
* The United States has 10 public holidays.
* The British have 8 public holidays.
* Germans may enjoy as many as 13 public holidays, depending on where they live.

So, how many hours do Americans work relative to our European counterparts?

In a typical year, Americans work 100 hours more than the British, 300 hours more than the French, and 400 hours more than the Germans, on average. *The Economist* reported:

“In 2017 the average American took 17.2 days of vacation. That was a slight rise on the 16 days recorded in 2014 but still below the 1978-2000 average of 20.3 days. Around half of all workers do not take their full allotment of days off, which averages around 23 days. In effect, many Americans spend part of the year working for nothing, donating the equivalent of $561 on average to their firms.”

That’s pretty generous.

There is a case to be built for the importance of taking more vacation time, according to the *Harvard Business Review*. “Statistically, taking more vacation results in greater success at work as well as lower stress and more happiness at work and home.”

Food for thought as you consider New Year’s Resolutions.

**Weekly Focus – Think About It**

“When you are inspired by some great purpose, some extraordinary project, all your thoughts break their bonds: your mind transcends limitations, your consciousness expands in every direction, and you find yourself in a new, great, and wonderful world. Dormant forces, faculties, and talents become alive, and you discover yourself to be a greater person by far than you ever dreamed yourself to be.”

*--Patanjali, Hindu author and philosopher*

Best regards,

**Chris Dumford, CFP®**

**Larry Makatura, CFP®**

P.S. Please feel free to forward this commentary to family, friends, or colleagues. If you would like us to add them to the list, please reply to this email with their email address and we will ask for their permission to be added.

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\* 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.

\* All indexes referenced are unmanaged. 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.

\* International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors. These risks are often heightened for investments in emerging markets.

\* 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.

\* Stock investing involves risk including loss of principal.

\* The foregoing information has been obtained from sources considered to be reliable, but we do not guarantee it is accurate or complete.

\* Consult your financial professional before making any investment decision.

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