

Commentary

April 17, 2017

The Markets

And the survey said...

In late 2016, *Natixis Global* surveyed 500 institutional decision makers representing corporate pension plans, public pension plans, sovereign wealth funds, insurance companies, foundations, and endowments. Survey participants said market volatility, geopolitics, and interest rates were their top risk concerns for 2017.

So far, U.S. stock markets haven't proven to be very volatile, but geopolitics caused some disruption last week. *Barron's* reported:

"Stocks fell 1 percent last week in quiet trading, with many market participants out for religious observances. Worries about the war in Syria, North Korean saber-rattling, and the coming French elections had investors reining in riskier positions and heading for safe havens.

Real estate, utilities, and consumer-staples stocks were the only sectors that rose last week. Financials – and banks in particular – fell, despite strong earnings reports from the industry's big kahunas."

It was a tough week for stocks, but investors' flight to safety caused Treasury bonds to rally. *Reuters* reported the interest rate on 10-year Treasury notes fell 14 basis points. That's the biggest weekly decline since January 2016. (There is an inverse relationship between bond interest rates and bond prices. When interest rates fall, bond prices rise, and vice-versa.)

Data as of 4/14/17	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 (Domestic Stocks)	-1.1%	4.0%	11.8%	8.1%	11.2%	4.8%
Dow Jones Global ex-U.S.	-0.2	6.7	8.8	-1.2	2.9	-1.3
10-year Treasury Note (Yield Only)	2.2	NA	1.8	2.6	2.0	4.8
Gold (per ounce)	1.4	10.8	3.1	-1.1	-5.1	6.5
Bloomberg Commodity Index	0.5	-1.4	6.2	-14.4	-9.4	-6.8
DJ Equity All REIT Total Return Index	0.9	4.4	7.4	11.3	11.2	5.1

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.

WHY DO SHOELACES COME UNTIED? Engineers have solved many knotty problems, but it wasn't until recently they unraveled the mystery of shoelaces and why they come undone, reported *The Economist*.

If you don't wear shoes that lace or spend time with young child who wear lace-ups, you may not have realized how vexing shoelaces can be. Traditional shoelace bows are comprised of a reef knot and a slipknot – a combination that has come undone throughout history. People have explored alternative knots. In fact, there is an entire website devoted to shoelace knots. It details regular, secure, and special purpose options.

As it turns out, the problem with shoelaces is walking. A group of engineers at the University of California, Berkeley worked out the mechanics of shoelace-bow destruction using treadmills, cameras, and tiny accelerometers. *The Economist* reported:

"The first thing which happens during walking is that the reef itself is loosened by the inertial forces of the lace ends pulling on it. This occurs as a walker's foot moves first forward and then backward as it hits the ground during a stride. Immediately after that, the shock of impact distorts the reef still further. The combination of pull and distortion loosens the reef's grip on the lace, permitting it to slip... Probably, nothing can be done about this differential elongation. But it might be possible to use the insights [researchers] have provided to create laces that restrict the distortion of the reef at a bow's center and, thus, slow the whole process down."

Could this research win an Ig Nobel in 2017? It's possible.

You may recall from previous commentaries, the 'Igs' celebrate improbable research and "...honor achievements that first make people laugh, and then make them think. The prizes are intended to celebrate the unusual, honor the imaginative – and spur people's interest in science, medicine, and technology."

Weekly Focus – Think About It

“I put a dollar in one of those change machines. Nothing changed.”

--George Carlin, Comedian

- * 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.
- * All indices 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.
- * 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:

<https://ngam.natixis.com/cs/us/Render.jsp?did=1250236377948>
http://www.barrons.com/articles/stocks-slip-1-on-week-as-geopolitical-worries-grow-1492229480?mod=BOL_hp_we_columns (or go to https://s3-us-west-2.amazonaws.com/peakcontent/+Peak+Commentary/04-17-17_Barrons-Stocks_Slip_1_Percent_on_Week_as_Geopolitical_Worries_Grow-Footer_2.pdf)
<http://www.reuters.com/article/us-global-markets-idUSKBN17F03U>
<http://www.investopedia.com/ask/answers/04/031904.asp>
<http://www.economist.com/news/science-and-technology/21720610-three-californian-engineers-have-found-out-answer-knotty-problem-how> (or go to https://s3-us-west-2.amazonaws.com/peakcontent/+Peak+Commentary/04-17-17_TheEconomist-How_Shoelaces_Come_Undone-Footer_5.pdf)
<https://www.fieggen.com/shoelace/knots.htm>
<http://www.improbable.com/ig/>
<http://itsamoneything.com/money/quote-change-machine-changed-george-carlin/#.WPOFPRiZO7o>



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

118153