



WEEKLY MARKET COMMENTARY

For the Week of September 10, 2018

The Markets

Despite a strong August employment report, stocks fell Friday after President Trump raised the possibility of more tariffs on Chinese imports. The NASDAQ experienced its worst week since March. For the week, the Dow fell 0.14 percent to close at 25,916.54. The S&P lost 0.98 percent to finish at 2,871.68, and the NASDAQ dropped 2.55 percent to end the week at 7,902.54.

Returns Through 9/07/18	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-0.14	6.58	21.67	20.14	14.42
NASDAQ Composite (PR)	-2.55	14.47	23.52	19.05	16.64
S&P 500 (TR)	-0.98	8.86	18.77	16.73	13.98
Barclays US Agg Bond (TR)	-0.45	-1.40	-1.79	1.49	2.57
MSCI EAFE (TR)	-2.83	-5.05	0.44	7.21	4.54

Source: Morningstar.com. *Past performance is no guarantee of future results. Indexes are unmanaged and cannot be invested into directly. Three- and five-year returns are annualized. The Dow Jones Industrials, MSCI EAFE, Barclays US Agg Bond and S&P, excluding "1 Week" returns, are based on total return, which is a reflection of return to an investor by reinvesting dividends after the deduction of withholding tax. The NASDAQ is based on price return, which is the capital appreciation of the portfolio, excluding income generated by the assets in the portfolio in the form of interest and dividends. (TR) indicates total return. (PR) indicates price return. MSCI EAFE returns stated in U.S. dollars.

Economic Predictor — A recession has taken place in the United States within two years of an inverted yield curve nine out of 10 times since 1955. This study defined an inverted yield curve occurring when the yield on the one-year Treasury bill exceeded the yield on the 10-year Treasury note (source: Federal Reserve Bank of San Francisco, BTN Research).

Where We Are — With four months to go in 2018, the S&P 500 is up 9.9 percent YTD (total return). The index has gained 10.1 percent per year over the last 50 years (i.e., 1968-2017). (Source: BTN Research).

Last Quarter — October, November and December rank second, third and fifth in terms of average monthly performance for the S&P 500 index (i.e., October is second best, November is third best and December is fifth best) over the last 25 years. The three months have jointly gained 5 percent per year (total return) over the last 25 years (1993-2017) or 51 percent of the index's total return over the entire 25-year period (source: BTN Research).



WEEKLY FOCUS – It's Life Insurance Awareness Month

September is Life Insurance Awareness Month, designed to educate the public on the important role life insurance plays in a family's financial wellness.

According to research by the nonprofit Life Happens and the Life Insurance and Market Research Association, 35 percent of all households would experience adverse financial impacts within one month of a primary wage earner's death. The organizations' study also found 59 percent of adults own life insurance, but 50 million households realize they need more. Among spouses and partners, 16 percent don't know how much life insurance their counterpart has, and one third wish their partner would purchase more.

The research further suggests millennials may particularly benefit from greater education. While 40 percent of all consumers indicate they don't know how much coverage they need or what kind of insurance they should buy, 60 percent of millennials express those uncertainties. Similarly, most consumers estimate coverage costs three times more than actual costs, but millennials overestimate costs five times actual costs.

Individuals purchasing insurance should consider a variety of factors to determine how much and what type they need. If they want to provide cash flow during their own retirement or use an insurance policy to leave an inheritance at any age, they may want to purchase a permanent life policy. If they want to provide greater protection for a loved one or loved ones during a certain period, they may turn to a term policy. For example, a young parent can usually purchase a term policy with a large payout to provide for children until they reach adulthood at a lower premium than a permanent policy with the same payout. In some cases, the parent may consider a convertible term policy that allows them to convert to permanent life insurance before the term ends.

In determining insurance needs to protect a household, it's important to consider career stage, family size, debts, other assets, present expenses (e.g., mortgage, car loan, student loan, credit card debt and ongoing household expenses) and future expenditures – such as a child's education. Once that information is assembled, there are different formulas to determine adequate coverage for a family's situation. If you or a loved one needs help in evaluating your life insurance needs, please contact our office. We will gladly work with your existing insurance agent, handle your insurance needs at our office or recommend an agent to work with you.

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* The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. The Dow Jones Industrial Average is a price-weighted index of 30 actively traded blue-chip stocks. NASDAQ Composite Index is an unmanaged, market-weighted index of all over-the-counter common stocks traded on the National Association of Securities Dealers Automated Quotation System. The Morgan Stanley Capital International Europe, Australia and Far East Index (MSCI EAFE Index) is a widely recognized benchmark of non-U.S. stock markets. It is an unmanaged index composed of a sample of companies representative of the market structure of 20 European and Pacific Basin countries and includes reinvestment of all dividends. Barclays Capital Aggregate Bond Index is an unmanaged index comprised of U.S. investment-grade, fixed-rate bond market securities, including government, government agency, corporate and mortgage-backed securities between one and 10 years. Written by Securities America, Copyright September 2018. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SA# 2237226.1