

# WEEKLY MARKET COMMENTARY

For the Week of December 16, 2019

## THE MARKETS

Stocks closed slightly higher Friday after President Trump and Chinese officials announced a phase-one trade deal. The increase helped the S&P 500 and the NASDAQ notch all-time highs. The trade agreement reduces some U.S. tariffs in exchange for larger Chinese purchases of American farm products and some progress on the issue of China's intellectual property theft. For the week, the Dow rose 0.49 percent to close at 28,135.38. The S&P gained 0.77 percent to finish at 3,168.80, and the NASDAQ climbed 0.91 percent to end at 8,734.88.

Returns Through 12/13/19	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	0.49	23.57	17.21	14.89	12.97
NASDAQ Composite (PR)	0.91	31.64	23.54	16.93	13.42
S&P 500 (TR)	0.77	28.89	22.00	13.98	11.89
Barclays US Agg Bond (TR)	0.29	8.87	10.00	4.24	3.06
MSCI EAFE (TR)	1.72	20.66	17.11	8.87	5.54

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.

**Has Not Happened Yet** — 65 percent of 500 global money managers surveyed in October and November 2018, predicted the U.S. stock bull market would end in 2019. The current bull market run is three months short of 11 years in length. The survey included investors in 28 countries worldwide (source: Natixis Investment Managers, BTN Research).

**Are We Twice as Healthy?** — The United States spends 18 percent of its \$21.5 trillion gross domestic product (GDP) on health-care expenditures, more than double the 8.6 percent of GDP spent by 35 other major economies throughout the world (source: Organization for Economic Cooperation and Development, BTN Research).

**Keeping the Lights On** — The Department of Energy predicts 38 percent of U.S. electricity in 2020 will be generated by natural gas, 22 percent from coal, 20 percent from nuclear power plants, 7 percent from hydropower (water) and the remaining 13 percent from wind, solar and other suppliers (source: Department of Energy, BTN Research).

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## WEEKLY FOCUS – Year-End Money Moves

As 2019 quickly draws to a close, it may be wise to consider making some last-minute moves to get your finances in the best possible shape for the new year. Here are a few steps to consider:

**Max out your retirement contributions.** For 2019, you can contribute \$19,000 to your 401(k), but it must be funded by Dec. 31. You can contribute \$6,000 to your IRA, and you actually have until the 2020 April tax deadline to do so. If you're 50 or older, you can contribute an extra \$6,000 to your workplace plan or another \$1,000 to your IRA.

**Make sure you've paid enough income tax** to avoid a surprise tax bill. This is especially important for couples and people who have switched jobs or have multiple jobs. The tax withholding calculator on the IRS site can help.

**Take any Required Minimum Distributions** from your tax-advantaged retirement accounts by Dec. 31. Fail to do so, and you'll pay a 50 percent penalty on the amount you should have withdrawn. (If you just turned 70½ in 2019, you have until April 1 to withdraw the necessary funds. But you'll have to take two distributions in 2020.)

**Rebalance your portfolio.** Perhaps a certain class of investments has grown disproportionately to others. You may want to move some investments to maintain your desired balance of risk versus growth. Or, you may consider tax loss harvesting your investments – selling some losing stocks off. You can use up to \$3,000 in short-term losses to offset \$3,000 of income each year.

**Strategize your giving.** Determine whether it pays to itemize your 2019 taxes. If it does, you may want to donate several years' worth of charitable giving in the next few weeks. You may also want to begin transferring some wealth to a child or grandchild. The IRS allows you to gift up to \$15,000 without triggering gift tax issues.

**Don't forget your health accounts.** Max out your Health Savings Account contributions. With a qualifying health plan, you can contribute \$3,500 to an HSA as an individual or \$7,000 for family coverage. If you're 55 or older, add \$1,000. If you have a Flexible Spending Account, make sure to use any funds that won't roll over.

We can help you evaluate if any of these year-end money moves are right for you. Call our office today to schedule an appointment for a consultation. *Securities America and its representatives do not provide tax advice; coordinate with your tax advisor regarding your specific situation.*

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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 December 2019. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI# 2873456.1