



Market Commentary October 30, 2017

Dear Investors:

The last full week of October was a box full of surprises.

First, U.S. economic growth exceeded expectations. The devastation wrought by Hurricanes Harvey, Irma, and Maria was widely expected to stifle U.S. quarterly growth, according to *NPR*. The *Atlanta Federal Reserve* predicted 2.5 percent gross domestic product (GDP)* growth for third quarter, down from 3.1 percent the previous quarter. Instead, U.S. GDP grew by 3.0 percent.

In fact, productivity has been flourishing around the globe. The *Financial Times* reported:

“...activity has again broken upwards in recent weeks, with growth in the advanced economies close to the highest rates seen since before the Great Financial Crash (GFC), apart from in the immediate recovery phase in 2010. Furthermore, world trade volume has now joined the recovery, and corporate expenditure on jobs and machinery is picking up. Overall, it seems that some of the symptoms of “secular stagnation” are beginning to fade...”

Tech companies were a sensation last week, too. Several of the biggest firms beat earnings estimates by wide margins, pushing share values higher, reported *CNBC*. Despite tech’s strong performance, the Standard & Poor’s 500 Index (S&P 500) has delivered third quarter earnings growth of 4.7 percent with more than half of companies reporting.

Earnings are lower than they would have been without the hurricanes, according to *FactSet*. With insurance industry earnings excluded, the S&P 500’s earnings growth pops from 4.7 percent to 7.4 percent.

The final surprise for the week was the doldrums. October is supposed to be the most volatile month of the year, according to *Barron’s*. Instead, we’ve experienced the calmest October since 1928.

4100 Embassy Parkway, Suite 100, Akron, Ohio 44333-1783

330-434-2000 / Fax: 330-665-1515

www.symphony-financial.com

Securities offered through LPL Financial, Member FINRA/SIPC. Investment advice offered through Symphony Financial Services, Inc., a registered investment advisor and separate entity from LPL Financial.

The S&P 500 and the NASDAQ both finished last week at new all-time highs.

*GDP is the value of all goods and services produced in a region.

Data as of 10/27/17	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 (Domestic Stocks)	0.2%	15.3%	21.0%	9.6%	12.8%	5.3%
Dow Jones Global ex-U.S.	-0.2	20.5	20.2	4.4	5.2	-1.2
10-year Treasury Note (Yield Only)	2.4	NA	1.8	2.3	1.7	4.4
Gold (per ounce)	-1.2	9.3	0.0	1.0	-5.8	4.9
Bloomberg Commodity Index	0.7	-1.9	-0.4	-9.8	-9.6	-7.2
DJ Equity All REIT Total Return Index	-1.4	5.8	9.8	7.5	10.0	6.2

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.

AND THE LEADER IN BIOMETRIC IDENTIFICATION IS INDIA!

Remembering passwords, especially if you follow best practices and have unique 12- to 15-character passwords for each account, can be challenging.

Even when you follow best practices, which many people do not, passwords are vulnerable to data breaches. The *Harvard Business Review* recently reported password insecurity is one reason businesses have been opting for biometric technology such as:

- Fingerprint readers
- Eye scanners
- Voice recognition systems
- Hand geometry

For instance, in Hangzhou, China, a "health-food concept restaurant" belonging to an American fast food chain, relies on facial recognition software to allow diners to pay with a smile, according to *c/net.com*. It's a lot to digest.

India is a leader in the new technology. Ninety-nine percent of adults in the country have been enrolled in Aadhaar, a biometric identification program that has collected the fingerprints and iris scans of more than a billion people since 2010, according to *The Economist*.

When given permission, Indian government bodies and private businesses can match the fingerprints or irises of individuals to their unique 12-digit numbers, facilitating purchases, payments, and other processes. The system has some glitches, though:

"Unlike reading an ID card, checking someone's identity through Aadhaar requires an internet connection and, often, electricity. Ration-shop owners in out-of-the-way places are known to march their customers to the top of a hill, roof, or tree – wherever a phone signal can be found – to check their identity. Even then, samples seem to show that roughly a third of authentications come back negative,

4100 Embassy Parkway, Suite 100, Akron, Ohio 44333-1783

330-434-2000 / Fax: 330-665-1515

www.symphony-financial.com

Securities offered through LPL Financial, Member FINRA/SIPC. Investment advice offered through Symphony Financial Services, Inc., a registered investment advisor and separate entity from LPL Financial.

an extraordinarily high failure rate for a technology that people rely on for necessities.”

Regardless, *Morgan Stanley* believes “digitizing its predominantly cash-based economy and reforming its archaic tax system” will help put India on the economic fast track. “The country was already on a strong trajectory, but digitization puts India's nominal GDP growth on track to compound annually by more than 10 percent in U.S. dollar terms over the coming decade.”

Weekly Focus – Think About It

“There is probably no pleasure equal to the pleasure of climbing a dangerous Alp; but it is a pleasure which is confined strictly to people who can find pleasure in it.”

--Mark Twain, American novelist

Best regards,

SYMPHONY FINANCIAL SERVICES, INC.

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.

Securities offered through LPL Financial, Member FINRA/SIPC.

- * 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.

4100 Embassy Parkway, Suite 100, Akron, Ohio 44333-1783

330-434-2000 / Fax: 330-665-1515

www.symphony-financial.com

Securities offered through LPL Financial, Member FINRA/SIPC. Investment advice offered through Symphony Financial Services, Inc., a registered investment advisor and separate entity from LPL Financial.

- * Yahoo! Finance is the source for any reference to the performance of an index between two specific periods.
- * These views are those of Carson Group Coaching, and not the presenting Representative or the Representative's Broker/Dealer, and should not be construed as investment advice.
- * This newsletter was prepared by Carson Group Coaching. Carson Group Coaching is not affiliated with the named broker/dealer.
- * 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.
- * Consult your financial professional before making any investment decision.

Sources:

<http://www.npr.org/sections/thetwo-way/2017/10/27/560403221/u-s-gdp-beats-expectations-growing-at-3-percent>
<https://www.frbatlanta.org/cqer/research/gdpnow.aspx>
<https://www.ft.com/content/fe37a88-69b3-334a-a48b-c8e691c53a8e> (or go to [https://s3-us-west-2.amazonaws.com/peakcontent/+Peak+Commentary/10-30-17_FinancialTimes-World Economy may be Healthier than the IMF Thinks-Footer 3.pdf](https://s3-us-west-2.amazonaws.com/peakcontent/+Peak+Commentary/10-30-17_FinancialTimes-World_Economy_may_be_Healthier_than_the_IMF_Thinks-Footer_3.pdf))
<https://www.cnbc.com/2017/10/27/tech-stocks-leaping-higher-after-blowout-earnings-from-amazon-alphabet-and-microsoft.html>
https://insight.factset.com/hubfs/Resources%20Section/Research%20Desk/Earnings%20Insight/EarningsInsight_102717.pdf
<http://www.barrons.com/articles/stocks-surge-to-highs-as-tech-roars-again-1509158124> (or go to [https://s3-us-west-2.amazonaws.com/peakcontent/+Peak+Commentary/10-30-17_Barrons-Stocks Surge to Highs as Tech Roars Again-Footer 6.pdf](https://s3-us-west-2.amazonaws.com/peakcontent/+Peak+Commentary/10-30-17_Barrons-Stocks_Surge_to_Highs_as_Tech_Roars_Again-Footer_6.pdf))
<https://www.economist.com/news/asia/21720609-long-they-have-mobile-signal-indias-id-system-reshaping-ties-between-state-and-citizens> (or go to [https://s3-us-west-2.amazonaws.com/peakcontent/+Peak+Commentary/10-30-17_TheEconomist-Indias ID System is Reshaping Ties Between State and Citizens-Footer 7.pdf](https://s3-us-west-2.amazonaws.com/peakcontent/+Peak+Commentary/10-30-17_TheEconomist-Indias_ID_System_is_Reshaping_Ties_Between_State_and_Citizens-Footer_7.pdf))
<https://www.wired.com/2016/05/password-tips-experts/>
<https://hbr.org/2017/05/passwords-are-terrible-but-will-biometrics-be-any-better>
http://www.morganstanley.com/ideas/digital-india?subscribed=true&et_mid=26620&et_mkid=05dcda3fc149857c3a3cc45c1c6dc98b
<http://winterclimb.com/articles/item/1-climbing-quotes/>

4100 Embassy Parkway, Suite 100, Akron, Ohio 44333-1783
 330-434-2000 / Fax: 330-665-1515
www.symphony-financial.com

Securities offered through LPL Financial, Member FINRA/SIPC. Investment advice offered through Symphony Financial Services, Inc., a registered investment advisor and separate entity from LPL Financial.