



## Market Commentary June 4, 2018

### Dear Investors:

If the countries were instruments, last week sounded like a fifth grade garage band.

World markets were buffeted by a clamor of good, bad, and unexpected news last week. Events that captured media and investor attention included:

- **Taxing America's allies.** Early in the week, investors weren't the only ones riled by the administration announcement it would impose hefty trade tariffs on American allies. "Brussels' top trade official vowed to respond to Donald Trump's new tariffs on imports of steel and aluminum from the EU, Canada, and Mexico with measures of its own, and warned that the EU has "closed the door" on trade talks with the U.S."
- **Breaking protocol.** A strong unemployment report helped settle volatility stirred up by tariff talk. However, a preemptive Presidential tweet introduced controversy. "While not breaking the 8:30 a.m. EDT embargo on the actual numbers, Trump's tweet appeared to violate a 1985 federal rule barring members of the executive branch from commenting on the employment report until one hour after the release of the report in order to avoid affecting 'financial and commodity markets,'" reported *Barron's*.
- **Counting chickens.** Although the summit with North Korea is on the calendar again, the commemorative Korea Peace Talks Coin is selling at a 20 percent discount in the White House gift shop.
- **Puzzling choices.** Giuseppe Conte is Italy's new Prime Minister. He has a tough job ahead. Despite electing "...western Europe's first anti-establishment government bent on overhauling European Union rules on budgets and immigration," Italians aren't keen on leaving the euro behind. Last week, "...opinion polls...showed between 60 and 72 percent of Italians did not want to abandon the euro," reported *Reuters*.

4100 Embassy Parkway, Suite 100, Akron, Ohio 44333-1783  
330-434-2000 / Fax: 330-665-1515

[www.symphony-financial.com](http://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.

Despite the noise, the Standard & Poor's 500 Index and NASDAQ forged ahead last week. That may have something to do with valuations. *Barron's* wrote, "...the S&P 500...now trades at 16.5 times 12-month earnings estimates, down from 18.2 at the beginning of the year..."

Data as of 6/1/18	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 (Domestic Stocks)	0.5%	2.3%	12.5%	9.0%	10.8%	7.0%
Dow Jones Global ex-U.S.	-0.8	-2.4	7.7	2.9	3.7	-0.1
10-year Treasury Note (Yield Only)	2.9	NA	2.2	2.2	2.1	4.0
Gold (per ounce)	-0.7	-0.2	2.4	2.6	-1.6	3.8
Bloomberg Commodity Index	-0.5	2.6	9.7	-3.6	-7.3	-8.3
DJ Equity All REIT Total Return Index	2.0	-2.4	2.5	6.1	7.5	6.8

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.

### IT'S WATER UNDER THE BRIDGE.

Water is so common we tend to take it for granted. We drink it, cook with it, wash with it, swim in it, and rarely give it much thought. We should, though, because fresh water is more rare than many people realize. According to *National Geographic*, "Over 68 percent of the fresh water on Earth is found in icecaps and glaciers, and just over 30 percent is found in ground water. Only about 0.3 percent of our fresh water is found in the surface water of lakes, rivers, and swamps." Here are some other notable facts about water:

1. Our planet is mostly H<sub>2</sub>O. However, more than 96 percent of the water on Earth is salt water.
2. The atoms in the water you drink today were around when dinosaurs roamed the Earth.
3. Water is the only compound on earth that can be found naturally in three forms – solid, liquid, and gas.
4. The average person in the United States uses 80 to 100 gallons of water each day, according to the U.S. Department of Interior's estimates.
5. Thermal power plants generate the majority of the world's electricity – more than 81 percent – and cannot run without water.
6. 'Day Zero' is the day Cape Town, South Africa will become the first major metropolis to run out of water. When it arrives, residents will receive rations of seven gallons a day.

Fresh water may soon be top of mind for everyone because it is rapidly becoming a scarce resource.

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

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

[www.symphony-financial.com](http://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.

*McKinsey & Company* estimates suggest current water supplies will meet just 60 percent of global demand by 2030. The fraction may be lower in countries like China, India, and South Africa where water supplies are already under stress.

## Weekly Focus – Think About It

“To find the universal elements enough; to find the air and the water exhilarating; to be refreshed by a morning walk or an evening saunter...to be thrilled by the stars at night; to be elated over a bird's nest or a wildflower in spring – these are some of the rewards of the simple life.”

--*John Burroughs, American Naturalist*

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.
- \* 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.

4100 Embassy Parkway, Suite 100, Akron, Ohio 44333-1783  
330-434-2000 / Fax: 330-665-1515

[www.symphony-financial.com](http://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.

- \* 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.
- \* 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:

<https://www.ft.com/content/11d2890a-65b6-11e8-a39d-4df188287fff> (or go to [https://s3-us-west-2.amazonaws.com/peakcontent/+Peak+Commentary/06-04-18\\_FinancialTimes-Global Markets Rally as US Jobs Growth Calms Volatility-Footnote 1.pdf](https://s3-us-west-2.amazonaws.com/peakcontent/+Peak+Commentary/06-04-18_FinancialTimes-Global_Markets_Rally_as_US_Jobs_Growth_Calms_Volatility-Footnote_1.pdf))

<https://www.barrons.com/articles/take-this-jobs-report-and-tweet-it-1527897844> (or go to [https://s3-us-west-2.amazonaws.com/peakcontent/+Peak+Commentary/06-04-18\\_Barrons-Take this Jobs Report and Tweet It-Footnote 2.pdf](https://s3-us-west-2.amazonaws.com/peakcontent/+Peak+Commentary/06-04-18_Barrons-Take_this_Jobs_Report_and_Tweet_It-Footnote_2.pdf))

<https://www.whitehousegiftshop.com/searchresults.asp?Search=commemorative+coins&Submit=>

<https://www.reuters.com/article/us-italy-politics/markets-breathe-easier-as-italy-government-sworn-in-idUSKCN1IX49T>

[http://www.barrons.com/mdc/public/page/9\\_3063-economicCalendar.html](http://www.barrons.com/mdc/public/page/9_3063-economicCalendar.html) (Click on U.S. & Intl Recaps, "Italy and Spain steer investor expectations", scroll down to chart) (or go to [https://s3-us-west-2.amazonaws.com/peakcontent/+Peak+Commentary/06-04-18\\_Barrons-Global Stock Market Recap-Footnote 5.pdf](https://s3-us-west-2.amazonaws.com/peakcontent/+Peak+Commentary/06-04-18_Barrons-Global_Stock_Market_Recap-Footnote_5.pdf))

<https://www.barrons.com/articles/dow-shows-nerve-of-steel-amid-trade-tensions-1527897602> (or go to [https://s3-us-west-2.amazonaws.com/peakcontent/+Peak+Commentary/06-04-18\\_Barrons-Dow Shows Nerves of Steel Amid Trade Tensions-Footnote 6.pdf](https://s3-us-west-2.amazonaws.com/peakcontent/+Peak+Commentary/06-04-18_Barrons-Dow_Shows_Nerves_of_Steel_Amid_Trade_Tensions-Footnote_6.pdf))

<https://www.nationalgeographic.org/media/earths-fresh-water/>

<https://water.usgs.gov/edu/earthhowmuch.html>

<http://www.bbc.co.uk/guides/z22fb82>

[https://www3.epa.gov/safewater/kids/water\\_trivia\\_facts.html](https://www3.epa.gov/safewater/kids/water_trivia_facts.html)

<https://water.usgs.gov/edu/qa-home-percapita.html>

<http://www.wri.org/blog/2018/01/power-plants-use-water-we-have-no-idea-how-much>

<http://www.newsweek.com/day-zero-drought-cape-town-792036>

<https://www.mckinsey.com/business-functions/sustainability-and-resource-productivity/our-insights/the-business-opportunity-in-water-conservation>

[https://www.brainyquote.com/quotes/john\\_burroughs\\_760773?src=t\\_water](https://www.brainyquote.com/quotes/john_burroughs_760773?src=t_water)

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