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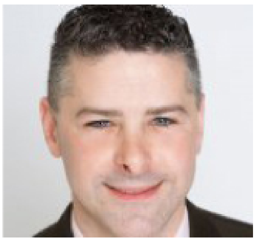
Wayne R. Quint, CFP®
845.345.3628
10 Raymond Avenue
Poughkeepsie, NY 12603
www.quintii.com
info@quintii.com



April 2018

Market Update

(all values as of 03.30.2018)

Stock Indices:

Dow Jones	24,103
S&P 500	2,640
Nasdaq	7,063

Bond Sector Yields:

2 Yr Treasury	2.27%
10 Yr Treasury	2.74%
10 Yr Municipal	2.48%
High Yield	6.34%

YTD Market Returns:

Dow Jones	-2.49%
S&P 500	-1.22%
Nasdaq	2.32%
MSCI-EAFE	-2.20%
MSCI-Europe	-2.57%
MSCI-Pacific	-1.51%
MSCI-Emg Mkt	1.07%
US Agg Bond	-1.46%
US Corp Bond	-2.32%
US Gov't Bond	-1.58%

Commodity Prices:

Gold	1,327
Silver	16.27
Oil (WTI)	64.94

Currencies:

Dollar / Euro	1.23
Dollar / Pound	1.40
Yen / Dollar	106.52
Dollar / Canadian	0.77

Macro Overview

Markets were rattled in March as a looming trade war between China and the U.S. enhanced market volatility. The administration announced $60 billion in tariffs for Chinese imports, with a detailed list of products which will be identified by the Commerce Department in April. China threatened to retaliate by imposing tariffs on U.S. imports as well as curbing U.S. Treasury purchases.

Intricate supply chains have evolved between the United States and China over the past twenty years. Some U.S. manufacturers ship U.S. made components to China for final assembly, then ship finished products back into the U.S., thus posing a challenge as to how trade deficits are calculated.

Key economic data released over the past month revealed that key data points were the strongest reported since 1998. The market has become much more dependent on data as it looks for signs of inflation and rising rates. Various analysts view current market volatility primarily driven by non-systemic events and isolated to specific events and individual company news.

A key lending benchmark, the Libor, has been rising steadily. The three-month U.S. dollar Libor rate surpassed 2% in early March, the highest level since 2008. Based in London, the Libor affects U.S. consumer loans, commercial loans, and adjustable rate mortgages.

Rapidly rising mortgage rates are dampening the hopes of families eager to lock in rates before payments start to become too expensive. The continued lack of housing supplies has added a double cost factor to the market, with prices elevating due to tight supplies and rising mortgage rates.

The International Energy Association (IEA) projects that the United States is on track to become the worlds single largest oil producer by 2023. The estimates are based on production growth and supplies generated by U.S. energy producers over the next few years. U.S. daily oil production alone is expected to reach over 12 million barrels per day by 2023, a 20% increase from the current levels of 10 million barrels per day.

Congress reached a $1.3 trillion budget deal that will fund the federal government through September. The extensive 2,232 page bill averts a government shut down and funds special programs for child care, infrastructure, medical research, opioid abuse prevention, and national security.

The IRS audited roughly 0.05% (half of one percent) of the 195,614,161 returns filed for tax year 2016. The number of examinations, also know as audits, was higher in the mid 1990s, when about 1.7% of returns were audited.

0.05%

Percentage of returns audited by the IRS for tax year 2016.

Sources: Dept. of Commerce, Bloomberg, congress.gov

OVER 25% OF THE S&P 500 INDEX IS CURRENTLY COMPRISED OF TECHNOLOGY SECTOR STOCKS

Tech & Tariff Influenced Volatility – Equity Update

Technology stocks led volatility in the first quarter, pulling other sectors into trading frenzies. Over 25% of the S&P 500 Index is currently comprised of technology stocks, having added volatility to the index for the first quarter. Trade war rhetoric added to volatility as U.S. companies sensitive to higher import prices on raw materials and certain finished goods experienced pullbacks.

Companies in the technology sector faltered as privacy concerns drove social media shares lower. The technology sector has also became more prone to volatility leading to gyrating valuations. In addition, news of heightened regulatory rules for technology and social media related companies escalated a sell off heading into the second quarter.

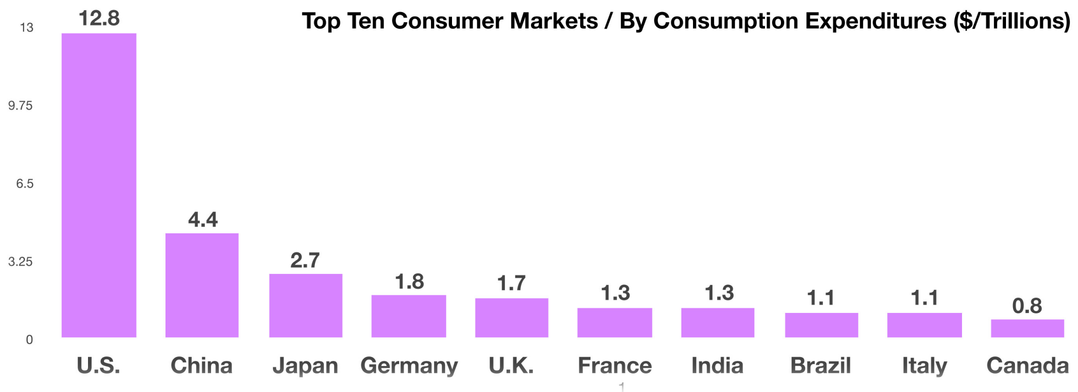
Transportation stocks are rising more closely with the rest of the market, an optimistic signal according to the century old Dow Theory.

Sources: Dow Jones, S&P, Bloomberg

World's Largest Consumer Markets – Global Commerce

The United States by far has the single largest consumer market of any country worldwide, representing over 26% of the entire global consumer market. U.S. consumers spent over $12.5 trillion in 2017, nearly three times as much as the second largest consumer market, China. China's consumer market is currently one of the world's fastest growing markets, with nearly $4.5 trillion in consumer expenditures.

International companies selling to the U.S. marketplace are attracted to the enormous wealth that consumers have access to in the United States. Ample and readily accessible credit sources in the U.S. also allow consumers the ability to purchase a wide variety of products.



Emerging market economies such as India and Brazil not only have a growing consumer market, but also benefit from exports to the U.S. Whereas, developed economies such as Japan and Germany have shrinking consumer markets yet depend heavily on exports to the United States.

Demographics has been a driving force in the U.S., as baby boomers provided an enormous amount of activity among various sectors and industries for decades. Now, as baby boomers retire and exit their prime spending years, it is up to younger consumers to create and replace much of the wealth needed to maintain consumption expenditures.

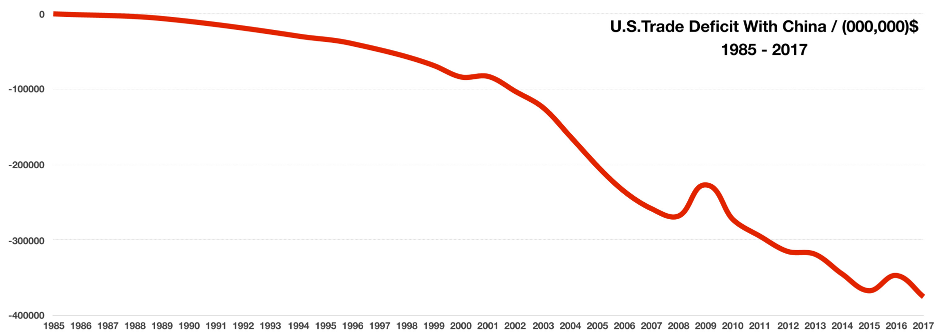
Sources: World Bank Group, United Nations Statistics Division

A TRADE BALANCE WITH CHINA IN 1985 IS NOW A TRADE DEFICIT OF $375 BILLION IN 2017

The Growing Trade Deficit With China – International Trade Policy

Over the past twenty five years, China has evolved from a heavy equipment and machinery exporter to a prominent leader in technology product exports. Large international conglomerates have established an enormous manufacturing presence throughout China, utilizing its cheap labor and quick turn around times. China's manufacturing plants are among the most modern in the world, producing large capacities almost entirely for export.

As the world's appetite for electronic devices has grown, so has China's ability to manufacture and export these devices. As a product exporter, China is able to manufacture and export finished products worldwide. In addition, China is also an exporter of components, which may be used in the manufacture and assembly of products in other countries, such as the United States. By exporting components in addition to finished products, China is able to hedge against tariff issues and labor costs should they become a factor.



Trade with China has grown tremendously over the past 30 years, from nearly a trade balance in 1985 to a trade deficit of $375 billion in 2017. Imports from China were $506 billion while U.S. exports to China were $130 billion, thus an ensuing trade deficit.

Ironically, China's purchases of U.S. government debt has helped maintain a low interest rate environment, thus reducing loan rates allowing U.S. consumers to finance more expensive Chinese imports such as big screen TVs, cell phones and computers.

Sources: WTO, IMF, U.S. Dept. of Commerce, FRED

Rates Stabilize In March – Fixed Income Overview

Equity market volatility in March drove assets towards various sectors of the bond market, thus pushing yields slightly lower and various fixed income prices higher.

A key leading rate, the Libor, rose the most in 10 years. Debt reliant companies and consumers with variable rate loans tied to the Libor are most susceptible. The three month Libor rate rose to 2.31% at the end of the quarter. The six-month Treasury bill reached a yield of 1.88% in early March, an important yield because that's exactly what the S&P 500 Index yields. Some income seeking investors may begin to view short-term bonds as an attractive alternative to dividend paying stocks prone to market volatility.

The Federal Reserve decided to raise the Fed Funds rate to a range of 1.5 – 1.75%, on track for another three rate increases this year. Language from the Fed Chief Jerome Powell shed some optimism on economic activity, noting that "the economic outlook has strengthened in recent months", warranting further increases in the Fed Funds rate.

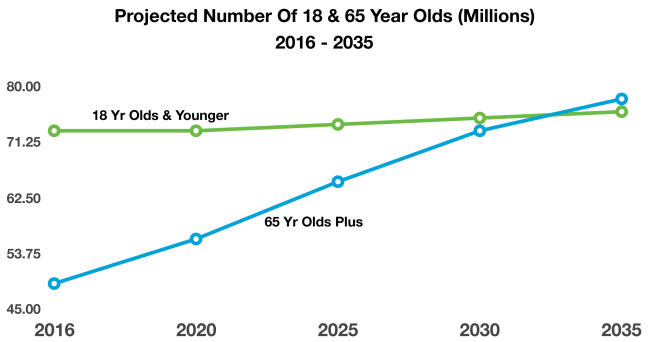
Sources: Federal Reserve, Bloomberg

BY 2035, 65 YEAR OLDS WILL BEGIN TO OUT NUMBER 18 YEAR OLDS

65 Year Olds Projected To Exceed 18 Year Olds – Demographics

Demographics and population data are carefully tracked by the Census Bureau in order to better determine what the United States may look like in the future.

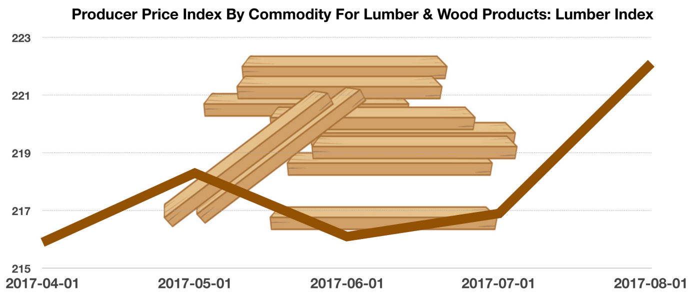
Over 73 million minors, under 18 years of age, currently out number 49 million older Americans, 65 and over. Younger citizens help spur economic growth and provide essential workers for the labor market. The demographical make-up of the country has been driven by the baby boom generation for decades. Those born between 1946 – 1964 have shaped the economic status of our country while providing economic growth and vitally skilled workers. The first wave of baby boomers reached 65 years of age in 2011, starting a massive shift of individuals from working status to retirement status.



The Census Bureau estimates that by 2035, those age 65 and older will begin to out number 18 and under. The number of 65 year olds and older will rise much faster than those 18 and younger creating a strain on the U.S. job market and economy. The shrinking pool of minors will eventually lead to lower population growth thus creating a drag on economic growth. A growing elderly population is expected to impact already strained Medicare and Social Security benefits. (Source: U.S. Census Bureau)

Lumber Supplies Pose Challenge For Housing – Housing Update

The fierce storms that ravaged Texas and Florida last year, in addition to the horrendous fires in Northern California, have led to a rise in demand for construction materials including lumber. Homebuilders use a multitude of raw and finished materials for the construction of homes, including wiring, plastic tubing, and lumber. The increase in demand has decreased the supply forcing prices higher. Builders are passing along the higher costs to home buyers thus pushing housing prices upward. In addition to the lack of supply contributing to rising prices, a recent imposition of tariffs on Canadian timber is also adding pressure. Less expensive Canadian lumber has been a primary source for builders. Suppliers to homebuilders are essentially running low on levels of lumber all over the country, as lumber prices are on the rise with homebuilders also gearing up for the summer season. Various other factors are also affecting lumber prices nationwide, such as thousands of new homes under construction, and young families eager to purchase a new home before rising rates dampen their chances.(Source: Commerce Department)



*Market Returns:Index data sources; MSCI, DJ-UBSCI, WTI, IDC, S&P. The information provided is believed to be reliable, but its accuracy or completeness is not warranted. This material is not intended as an offer or solicitation for the purchase or sale of any stock, bond, mutual fund, or any other financial instrument. The views and strategies discussed herein may not be appropriate and/or suitable for all investors. This material is meant solely for informational purposes, and is not intended to suffice as any type of accounting, legal, tax, or estate planning advice. Any and all forecasts mentioned are for illustrative purposes only and should not be interpreted as investment recommendations. Quint Wealth Management, Inc. (Quint Investments & Insurance) is a Registered Investment Adviser in New York. We are allowed to do business in New York and other states where we are registered, exempted, or excluded from registration. Investments involve risk and unless otherwise stated, are not guaranteed. Be sure to first consult with a qualified financial adviser and/or tax professional before implementing any strategy discussed herein. Insurance products and services are offered and sold through Quint Risk Management, Inc. and individually licensed and appointed insurance agents.