



## Solutions Centered Wealth Management

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### THE MARKETS

Global equities continued their decline. The yield on the benchmark 10-year U.S. Treasury note declined 3 basis points from last week's level to 3.04%, while the price of a barrel of West Texas Intermediate crude oil fell to a more than one-year low of \$50.42. Volatility, as measured by the Chicago Board Options Exchange Volatility Index (VIX), rose to 21.5 from 20.8 last week.

Returns through 11/23/18	1 Week	YTD	1-Year	3-Year	5-Year
<b>Dow Jones Industrials</b>	<b>-4.40</b>	<b>0.26</b>	<b>5.56</b>	<b>13.66</b>	<b>11.27</b>
<b>NASDAQ Composite</b>	<b>-4.26</b>	<b>0.52</b>	<b>1.04</b>	<b>10.79</b>	<b>11.69</b>
<b>Russell 2000</b>	<b>-2.53</b>	<b>-2.00</b>	<b>-0.59</b>	<b>9.54</b>	<b>7.21</b>
<b>S &amp; P 500</b>	<b>-3.77</b>	<b>0.19</b>	<b>3.34</b>	<b>10.29</b>	<b>10.08</b>
<b>MSCI EAFE NR USD</b>	<b>-1.09</b>	<b>-10.26</b>	<b>-8.54</b>	<b>3.74</b>	<b>1.81</b>

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 S&P, excluding "1 Week" return is a reflection of return to an investor, by reinvesting dividends after the deduction of withholding tax.

**No bank failures last week** – According to information available on the FDIC website, no banks failed last week. The FDIC website lists no bank failures thus far in 2018. There were 8 bank failures in 2018, 5 in 2016, 5 in 2015, 18 in 2014, 24 in 2013, 53 in 2012, 90 in 2011, 157 in 2010, 140 in 2009, 26 in 2008, 3 in 2007, zero in 2006 and 2005.

**Tensions high ahead of US-China trade talks** – The war of words between China and the United States resumed last week ahead of scheduled trade talks on the sidelines of this week's G20 summit in Buenos Aires. The United States trade representative updated its Section 301 investigation and found that China "has not fundamentally altered its unfair, unreasonable and market distorting practices." China fired back that the charges were groundless and totally unacceptable. If the two sides are unable to come to an agreement this week, U.S. tariffs on Chinese imports are likely to rise to 25% at the turn of the year from 10% today.

**Global slowdown casts doubt over 2019 Fed hikes** – Expectations that the U.S. Federal Reserve will raise interest rates twice in 2019 are beginning to fade, as evidence of a global economic slowdown mounts. While the Fed is still expected to hike next month, the picture has become murkier for next year. Though U.S. growth remains robust, the pace of global growth continues to slow. Indeed, flash European purchasing managers' indices declined to their lowest levels since late 2014 and falling crude oil prices are signaling weakening demand in addition to a supply overhang. Financial markets have been grappling with the transition from a decade of highly accommodative financial conditions to tighter conditions worldwide, as uncertainty on the global trade front has dented investors' confidence. Against this backdrop, the Organization for Economic Co-Operation and Development lowered its 2019 global growth outlook to 3.5% from an earlier 3.7% forecast.

**S & P 500 earnings news** – With 97.0% of the components of the S&P having reported earnings for Q3, EPS growth reached 25.9% for the quarter, exceeding the 25% year-over-year pace posted in the year's first two quarters. Revenue growth slipped marginally to 9.3% from near 10% earlier in the year. Slowing global growth sparked concerns that earnings growth rates may be peaking.

**EU leaders ratify Brexit deal** – EU leaders have given their backing to the Brexit deal struck with Theresa May, firing the starting pistol on the prime minister's race to win parliamentary approval in time for the UK's withdrawal next March. At an extraordinary summit in Brussels, the bloc's 27 heads of state and government took a decisive and historic step towards sealing the terms of Britain's split from Brussels after 45 years of membership. Unanimous support was given to the terms of a voluminous draft withdrawal treaty, covering citizens' rights, the £39bn divorce bill, and the Irish border issue, along with a 26-page political declaration setting out the basis of the future relationship.

**EU moves to discipline Italy over budget** – The EU has once again rejected Italy's proposed 2019 budget and has begun an excessive deficit procedure which subjects Italy to fines equaling 0.2% of its gross domestic product. Italy's leaders are unconcerned by the threats, vowing to make good on campaign promises of a universal basic income, cutting taxes and lowering the retirement age.

#### The week ahead

- U.S. Q3 gross domestic product, new home sales announced Wednesday, November 28.
- U.S. personal income/spending, Federal Open Market Committee released Thursday, November 29.
- Japan consumer price index, industrial production, unemployment released Friday, November 30.
- China manufacturing purchase managers' index released Friday, November 30.
- Eurozone consumer price index, unemployment reported Friday, November 30.



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## WEEKLY FOCUS

**Social Security provides critical benefits to millions of Americans, but sometimes, that money winds up in the wrong hands.** Social Security fraud is such a problem that last month, the Social Security Administration (SSA), along with its Office of the Inspector General (OIG), announced that it will be opening three new units to investigate and prevent fraud specifically related to the program's disability benefits. Of course, *all* Social Security recipients are at risk of fraud, and that includes retirees who count on their benefits to pay the bills. Therefore, while it's good to see that the SSA is being proactive in protecting its resources, here are some steps that you can take, as an individual, to avoid becoming a victim.

### **1. Keep your Social Security number safe**

Once a criminal gains access to your Social Security number, it's easy enough for that person to not only steal your benefits but your whole identity. Therefore, it's important that you keep your Social Security number away from would-be thieves. You can go about this in several ways. First, keep your actual Social Security card tucked away in a safe, or someplace similarly secure. Unlike your credit cards or health insurance card, there's no need to carry your Social Security card around with you and doing so only increases the risk of the wrong person getting his hands on it. Additionally, be sure to properly dispose of all documents that contain your Social Security number. If you no longer need financial statements with that number, for example, invest in a shredder rather than toss them away in the trash.

### **2. Never give out your Social Security number to an unsolicited caller or emailer**

Unfortunately, there's a host of Social Security scams out there designed to target innocent people who aren't savvy enough to recognize them. So, here's a general rule to follow: Never give someone your Social Security number if that person is contacting you out of the blue, whether by phone, email, or regular mail. Furthermore, if you *are* going to give out your Social Security number for a legitimate reason -- say, on a job application -- ask what steps the recipient plans to take to safeguard it.

### **3. Keep in touch with the SSA**

If you *do* receive some sort of communication asking for your Social Security number, and know or suspect that it's fraud, contact the SSA online or by phone and seek its advice. If anything, reporting that potential crime might spare others from falling victim to theft.

### **4. Track your Social Security payments**

If you're already collecting Social Security, familiarizing yourself with your payment schedule could help stop criminals in their tracks. The SSA has a preset schedule that determines when recipients get their benefits. Pay attention to it and check your bank account when you expect that money to hit. If it doesn't come through when it's supposed to, contact the SSA at once so that it can investigate. The sooner you respond, the less damage a criminal has the potential to do.

### **5. Monitor your Social Security account online**

It's easy to figure out when your benefits have been stolen if you're on Social Security and those payments suddenly stop coming through. But what happens when you've yet to file a claim for benefits? Unfortunately, someone can get ahold of your Social Security number, file benefits on your behalf, direct those payments to a bank account he controls, and run away with them.

That's why it pays to create a Social Security account online and check it regularly. If you suddenly see that a benefit payment has been issued to you, but you didn't file yet, you'll know to contact the SSA immediately.

While it's good to see that the SSA is fighting back against fraud, that doesn't mean the rest of us are off the hook. The more vigilant you are in protecting yourself, the lower your chances of becoming a victim.

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