



Trade and Tariffs Rattle Markets

Weekly Update – July 2, 2018

International trade concerns continue to create uncertainty in markets around the world.¹ Despite the markets' slight rises on Friday, June 29, they recorded losses for the week.² The S&P 500 fell 1.33%, the Dow gave back 1.26%, and the NASDAQ dropped 2.37%.³ Internationally, the MSCI EAFE declined 1.10%.⁴

Friday also marked Q2's last trading day. The U.S. economy remains strong thanks to low unemployment numbers and strong corporate earnings.⁵ Meanwhile, on Thursday, the Fed announced that all but one bank passed stress tests evaluating their ability to weather a financial downturn.⁶

This week, we'll address President Trump's proposed tariffs on international imports and their effect on stock performance.⁷

The Breakdown: Global Trade Concerns

President Trump maintains that China and other countries have consistently practiced unfair trade tactics and imposed large tariffs on U.S. exports.⁸ In response, the White House has proposed raising tariffs on imports from China, Canada, and other countries.⁹

Unfair trade practices take several forms. In one scenario, foreign governments subsidize companies that export products. Those companies may in turn sell their products in the U.S. below cost. This approach can harm U.S. companies, cost jobs, and ultimately damage the economy.¹⁰ The President also argues that imported metals are a threat to national security.¹¹

The Impact: New Tariffs on the U.S.

Canada has responded to increased rates on steel and aluminum by announcing \$16.6 billion in new tariffs on U.S. products, effective July 1.¹² On July 6, President Trump will determine whether to impose additional tariffs on \$34 billion of Chinese goods.¹³ Additionally, the U.S. Chamber of Commerce estimates that 2.6 million U.S. jobs could be on the line due to the administration's trade policies.¹⁴

Already, nearly 21,000 companies have asked for tariff exclusions to import metal duty free. Some of these companies claim the current trade disputes have resulted in layoffs and possible relocations or closures.¹⁵

Looking Ahead: Ongoing Global Developments

Third-quarter trade developments will continue to influence markets and emerging economies.¹⁶ In addition, after the financial sector just posted its longest losing streak ever, analysts will be looking at how and whether they bounce back. Meanwhile, markets will also track the yield curve, which measures the difference between short- and long-

term bond pricing. The curve has flattened to its lowest levels since August 2007, as investors drive up long-term bond prices in their search for safety from market volatility.¹⁷

As details continue unfolding, we'll be sure to keep our pulse on what lies ahead. In the meantime, please contact us if you have any questions on how these details relate to your financial life.

ECONOMIC CALENDAR

Monday: PMI Manufacturing Index, Construction Spending

Tuesday: Motor Vehicle Sales

Thursday: ADP Employment Report, Jobless Claims

Friday: International Trade

DATA AS OF 6/29/2018	1 WEEK	SINCE 1/1/18	1 YEAR	5 YEAR	10 YEAR
STANDARD & POOR'S 500	-1.33%	1.67%	12.17%	11.10%	7.82%
DOW	-1.26%	-1.81%	13.69%	10.24%	7.90%
NASDAQ	-2.37%	8.79%	22.31%	17.15%	12.60%
INTERNATIONAL	-1.10%	-4.49%	4.01%	3.63%	-0.04%
DATA AS OF 6/29/2018	1 MONTH	6 MONTHS	1 YEAR	5 YEAR	10 YEAR
TREASURY YIELDS (CMT)	1.77%	2.11%	2.33%	2.73%	2.85%

Notes: All index returns (except S&P 500) exclude reinvested dividends, and the 5-year and 10-year returns are annualized. The total returns for the S&P 500 assume reinvestment of dividends on the last day of the month. This may account for differences between the index returns published on Morningstar.com and the index returns published elsewhere. International performance is represented by the MSCI EAFE Index. Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly.



“A wise person should have money in their head, but not in their heart.”

—Jonathan Swift

Raspberry Swirl Rolls



Serves 12

Ingredients:

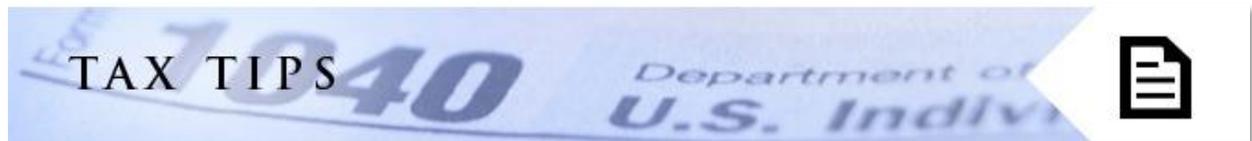
½ cup whole milk
1¼-ounce package active dry yeast
2 tablespoons granulated sugar
3 cups all-purpose flour
4 tablespoons unsalted butter, melted
1 teaspoon kosher salt
Oil, for pan
⅓ cup raspberry jam
2 teaspoons lemon zest
2 tablespoons fresh lemon juice
2 cups frozen raspberries (do not thaw)
2 tablespoons heavy cream, for brushing
½ cup sour cream
¼ cup confectioners' sugar, sifted
½ teaspoon pure vanilla extract

Directions:

1. Heat milk and ½ cup of water on medium-low in small saucepan until warm (but not hot).
2. At the same time, whisk yeast, granulated sugar, and 1 cup of flour in a large bowl. Stir warm milk into the bowl. Cover and set to the side until the mix is thick and foamy, about 15 minutes.
3. Put in melted butter and salt and slowly mix in remaining 2 cups of flour. Cover the mix. Let it rise until it doubles in size, about 1 hour.
4. Coat an 11" x 8" casserole dish lightly with oil. Lay parchment paper in a pan as a lining; leave 3" overhang on the 2 long sides. Oil the parchment paper.
5. Mix jam, lemon zest, and 1 tablespoon of lemon juice in a small bowl.
6. Lay the dough on a floured surface and roll it into a 12" x 9" rectangle. Spread jam mixture over the top; then top with raspberries.

7. Roll dough from the long side into a tight log. Pinch the seams to seal.
8. Use a long piece of unflavored dental floss to cut the dough log into 12 1" thick rolls. Use the floss by sliding it underneath the dough.
9. Place the rolls, cut sides up, onto the prepared pan. Cover the pan and let the rolls rise until they have doubled in size and begin to touch each other, 50-60 minutes.
10. At the same time, heat the oven to 375°F. After brushing the rolls with heavy cream, bake until they are puffy and light golden brown, 25-27 minutes. Let the rolls cool on a rack for 10 minutes.
11. **Frosting:** Mix sour cream, confectioners' sugar, vanilla, and the remaining 1 tablespoon of lemon juice. Spread the frosting over the warm rolls.

Recipe adapted from Good Housekeeping¹⁸



What is Phishing and How to Protect Yourself

Everyone wants a piece of your pocketbook, especially cyber swindlers who send enticing or threatening messages hoping you'll go along with their scam. It's called phishing, and Internet hucksters use the tactic to persuade their victims to hand over personal or financial information. The information is then used to steal victims' identities.

The IRS periodically issues taxpayer alerts on phishing schemes, which often use the agency's logo and link to a website clone. The agency also provides a list of scams and news releases on recent ones. (<https://www.irs.gov/newsroom/phishing-and-other-schemes-using-the-irs-name>)

Taxpayers who receive suspicious emails that claim to originate from the IRS may forward them to the agency's scam mailbox, phishing@irs.gov.

You can obtain additional information about sending phishing emails to the IRS at <https://www.irs.gov/privacy-disclosure/report-phishing>. Other details may apply, and you can find more information on the IRS website.

This information is not intended to be a substitute for specific individualized tax advice. We suggest that you discuss your specific tax issues with a qualified tax advisor.

Tip adapted from the IRS.gov¹⁹



Fixing Crooked Iron Shots

Top golfing coaches say the best way to achieve lower golf scores is through better ball control, particularly the clubface.

Golf instructor Tony Ruggiero—Director of Instruction at the Country Club of Mobile, Alabama—says successful players turn their left (or weaker) wrist down during the swing, which matches the movement of the clubface. The face remains square at impact, eliminating most of the rotation. This makes the ball’s flight more predictable.

Ruggiero suggests players start focusing more of their attention on the clubface. “Imagine the logo on the back of your glove is a mirror image of the clubface,” he said. “If you want the ball to go straight, have the back of your glove pointing at the target at impact. The most common mistake? Players who slice usually have the logo pointing up and to the right.”

Tip adapted from Golfworld²⁰



The Scoop on Sleep Disorders

The saying “you snooze, you lose” may be about urging people to pay attention. But for millions of sleep-deprived Americans, getting a good night’s sleep would be a big win.

Sleep disorders hamper people’s ability to get adequate rest and can lead to health problems.

Researchers say sleep deprivation may cause car crashes, relationship problems, poor job performance, injuries, poor memory, and moodiness. Sleep problems may also exacerbate heart disease, obesity, and diabetes.

How much sleep do you need?

- Infants: 12-15 hours
- Toddlers (ages 1-3): 11-14 hours
- Preschoolers (ages 3-5): 10-13 hours
- Schoolchildren (ages 6-13): 9-11 hours

- Teens (ages 14-17): 8-10 hours
- Adults: 7-8 hours

Insomnia occurs when you can't get to sleep for many nights or you stay awake for hours. Insomnia may be caused by bad habits, such as drinking coffee or having a heavy meal too late in the day, or leaving the television on.

Seek medical advice if you think you have a sleep disorder. Your doctor may ask you several questions:

- What time do you go to bed and get up?
- How long and well do you sleep?
- How long do you stay awake in bed?
- What have you been eating and drinking?
- What drugs do you take?

Treatment for a sleep disorder may include using a continuous positive airway pressure (CPAP) machine. Other sleep disorders are often treated with lifestyle changes and medications.

Exercise in the late afternoons can also help promote restful sleep.

Tips adapted from WebMD²¹



Rowing Your Way to Going Green

Going green and going boating. How much more environmentally connected can you get? Yet too many boaters carelessly litter the waters with plastic bags, 6-pack rings, fishing lines, and food wrappings. The plastics pose a serious pollution threat to lakes, rivers, and oceans.

Here are 4 tips to help keep the waters plastic free:

1. Take along trash bags on boating trips for disposal of plastics, which includes fishing lines. Throw away the bag on land when you're done.
2. Get reusable and washable containers for food and other items. This reduces the quantity of plastic you take on boating trips.
3. Properly dispose of fishing lines, which can kill fish and other marine life.
4. Break or cut plastic 6-pack ring loops. This ensures that if the loops fall or are blown into the water they won't entangle fish or trap fish.

Tip adapted from EarthShare²²

Share the Wealth of Knowledge!
Please share this market update with family, friends, or colleagues.
If you would like us to add them to our list,
simply click on the “Forward email” link below. We love being introduced!

If you would like to opt-out of future emails, please reply to this email with UNSUBSCRIBE in the subject line.

Investing involves risk including the potential loss of principal. No investment strategy can guarantee a profit or protect against loss in periods of declining values.

Diversification does not guarantee profit nor is it guaranteed to protect assets.

International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors.

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 average of 30 significant stocks traded on the New York Stock Exchange and the NASDAQ. The DJIA was invented by Charles Dow back in 1896.

The Nasdaq Composite is an index of the common stocks and similar securities listed on the NASDAQ stock market and is considered a broad indicator of the performance of stocks of technology companies and growth companies.

The MSCI EAFE Index was created by Morgan Stanley Capital International (MSCI) that serves as a benchmark of the performance in major international equity markets as represented by 21 major MSCI indices from Europe, Australia, and Southeast Asia.

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.

Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance.

Past performance does not guarantee future results.

You cannot invest directly in an index.

Consult your financial professional before making any investment decision.

Fixed income investments are subject to various risks including changes in interest rates, credit quality, inflation risk, market valuations, prepayments, corporate events, tax ramifications and other factors.

These are the views of Platinum Advisor Strategies, LLC, and not necessarily those of the named representative, Broker dealer or Investment Advisor, and should not be construed as investment advice. Neither the named representative nor the named Broker dealer or Investment Advisor gives tax or legal advice. All information is believed to be from reliable sources; however, we make no representation as to its completeness or accuracy. Please consult your financial advisor for further information.

By clicking on these links, you will leave our server, as the links are located on another server. We have not independently verified the information available through this link. The link is provided to you as a matter of interest. Please click on the links below to leave and proceed to the selected site.

¹ <https://www.cnbc.com/2018/06/29/shanghai-stocks-on-pace-for-worst-year-since-2011.html>

<https://www.cnbc.com/2018/06/29/european-markets-seen-higher-after-eu-migration-deal.html>

² <https://www.cnbc.com/2018/06/29/us-futures-point-to-triple-digit-rally-at-the-open-despite-gloomy-mark.html>

³ <http://performance.morningstar.com/Performance/index-c/performance-return.action?t=SPX®ion=usa&culture=en-US>

<http://performance.morningstar.com/Performance/index-c/performance-return.action?t=%21DJI®ion=usa&culture=en-US>

<http://performance.morningstar.com/Performance/index-c/performance-return.action?t=@CCO>

⁴ <https://www.msci.com/end-of-day-data-search>

-
- ⁵ <https://www.bloomberg.com/news/articles/2018-06-28/powell-wants-the-real-economy-to-guide-fed-as-job-market-soars>
- ⁶ <http://money.cnn.com/2018/06/28/investing/deutsche-bank-fed-stress-test/index.html>
- ⁷ <https://www.cnbc.com/2018/06/29/us-futures-point-to-triple-digit-rally-at-the-open-despite-gloomy-mark.html>
- ⁸ <https://www.whitehouse.gov/briefings-statements/president-donald-j-trump-confronting-chinas-unfair-trade-policies/>
<https://www.whitehouse.gov/briefings-statements/remarks-president-trump-protecting-american-workers-roundtable/>
- ⁹ <https://www.marketplace.org/2018/06/22/economy/your-new-tariff-questions-answered>
- ¹⁰ <https://www.pbs.org/newshour/show/will-trumps-tariffs-help-u-s-workers-it-could-be-a-wash>
- ¹¹ <https://www.nbcnews.com/news/world/trade-war-looms-canada-announces-billions-retaliatory-tariffs-against-u-n887991>
- ¹² <https://www.ctvnews.ca/business/by-the-numbers-ottawa-s-tariff-reprisal-against-trump-1.3994039>
- ¹³ <https://www.bloomberg.com/news/articles/2018-06-28/ticking-countdown-to-trade-war-enters-final-hours-economy-week>
- ¹⁴ <http://money.cnn.com/2018/06/26/news/companies/steel-tariffs-job-losses/index.html>
- ¹⁵ <https://www.axios.com/american-industries-stress-trump-trade-war-tariffs-858e6340-0492-45ef-a495-297192f2c4b4.html>
- ¹⁶ <https://www.bloomberg.com/news/articles/2018-06-29/trade-spat-gives-markets-bitter-ending-for-quarter-em-review>
- ¹⁷ <https://www.cnbc.com/2018/06/27/banks-just-posted-longestlosing-streak-ever-and-it-could-get-worse.html>
- ¹⁸ <https://www.goodhousekeeping.com/food-recipes/a19866394/raspberry-swirl-rolls-recipe/>
- ¹⁹ <https://www.irs.gov/newsroom/suspicious-e-mails-and-identity-theft>
- ²⁰ <https://www.golfdigest.com/story/quit-hitting-crooked-iron-shot-with-this-simple-tip>
- ²¹ <https://www.webmd.com/sleep-disorders/ss/slideshow-sleep-disorders-overview>
- ²² <http://www.earthshare.org/2008/09/row-row-row-you.html>

Cadent Capital Advisors, LLC

Tulsa

4525 East 91st Street
Tulsa, OK 74137
(918) 935-3450

Oklahoma City

13861 Quail Pointe Drive, Suite B
Oklahoma City, OK 73134
(405) 254-3122

Toll Free 1-877-460-9104

www.cadcapital.com