



Stocks Up as Shutdown Looms

Weekly Update – January 22, 2018

We're only a few weeks into 2018, and stocks are showing quite a strong performance so far. Last week, major domestic indexes posted gains yet again, with all 3 up at least 5% this year. By Friday, the S&P 500 had added another 0.86%, and both the Dow and NASDAQ were up 1.04%.¹ All 3 indexes hit new record highs at least once during the week.²

In addition to the solid performance for U.S. equities, we're also experiencing synchronized global growth. European and Asian stocks grew last week, and China's growth data was more positive than expected.³ Overall, international stocks in the MSCI EAFE added a healthy 1.24% last week. Year to date, the MSCI is up 4.95%.⁴

What happened last week?

Two key topics drove conversations: corporate earnings and a government shutdown.

1. Corporate Earnings

In the U.S., corporate earnings season dominated much of the economic news as reports continue to show companies doing well. For organizations that released their 4th-quarter results, 79% beat earnings projections and 89% exceeded sales estimates.⁵

2. Government Shutdown

The Federal government shut down on Saturday morning, January 20th, after the House and Senate failed to pass a bill to extend funding. This shutdown is the first since 2013.⁶

How did these occurrences affect the markets?

While a potential shutdown loomed last week, overall, investors had little reaction to its possibility.⁷ Volatility did increase last week as investors waited to see whether or not the House and Senate would reach a compromise on government funding.⁸ However, the solid news from corporate earnings seemed to outweigh concerns about the Federal government.⁹ Rather than focusing on drama in Washington, many traders are paying attention to the strength in U.S. corporations' fundamentals.¹⁰

As more data unfolds, we will continue to monitor the relationship between government policy and economic performance. As always, if you have any questions about how current events and market developments may be affecting you, contact us any time.

ECONOMIC CALENDAR

Wednesday: Existing Home Sales

Thursday: New Home Sales, Jobless Claims

Friday: Durable Goods Orders, GDP

DATA AS OF 1/19/2018	1 WEEK	SINCE 1/1/18	1 YEAR	5 YEAR	10 YEAR
STANDARD & POOR'S 500	0.86%	5.11%	24.15%	13.59%	7.81%
DOW	1.04%	5.47%	32.13%	13.82%	7.98%
NASDAQ	1.04%	6.27%	32.42%	18.54%	12.11%
INTERNATIONAL	1.24%	4.95%	25.71%	5.40%	0.48%

DATA AS OF 1/19/2018	1 MONTH	6 MONTHS	1 YEAR	5 YEAR	10 YEAR
TREASURY YIELDS (CMT)	1.28%	1.62%	1.79%	2.45%	2.64%

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.



“Being free and prosperous in a world at peace. That’s our ultimate goal.”

– Ronald Reagan



Cherry Tomato Casserole with White Beans and Basil



Serves 6

Ingredients:

2 cups cubed (1-inch pieces) hearty whole wheat bread (5 ounces)
2 tablespoons extra virgin olive oil
2 pounds cherry tomatoes, halved
2 cans (15 ounce each) no salt added cannellini beans, rinsed and drained
¼ cup packed fresh basil, chopped
3 cloves garlic, chopped
½ teaspoon crushed red pepper
Kosher salt and black pepper
¼ cup grated Parmesan cheese

Directions:

1. Preheat oven to 350°F.
2. Toss the bread with oil on a large rimmed baking sheet.
3. Bake 8-10 minutes, stirring midway through, until golden brown.
4. At the same time, put tomatoes, beans, basil, garlic, red pepper, 1 teaspoon salt, and ¼ teaspoon of black pepper in a large bowl.
5. Toss with bread.
6. Put mix in a shallow 6-cup baking dish. Lightly add cheese on top.
7. Bake for about 40 minutes until golden brown.
8. Let cool for about 10 minutes.

Recipe adapted from Good Housekeeping¹¹



How to Get Tax Transcripts from the IRS

The IRS urges taxpayers to retain tax returns for at least the last three years. Those who need previous returns may check with their tax preparer or contact the IRS. The agency charges prior-year returns. Transcripts are free.

Two types of transcripts are available from the IRS:

- **Tax-return transcripts:** These show most line items. They don't show changes made after the filing and are available only for the current tax year.
- **Tax-account transcripts:** These display basic data such as return type, marital status, adjusted gross income, taxable accounts, and all payment types.

To obtain transcripts, you can:

- **Order online:** Go to “Get Transcript” at [IRS.gov](https://www.irs.gov).
- **Order by phone:** Call 800-908-9946.
- **Order by mail:** Send completed Form 4506-T or Form 4506-EZ to the IRS.

It may take 30 days to receive a transcript by mail and 75 days for tax return copies.

Tip adapted from IRS.gov.¹²

*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.



How Can Older Golfers Improve their Game?

Your joints may get stiffer, your eyesight dimmer, and your energy level lower, but your zeal for golf will never diminish—not while you’re on this side of terra firma.

Here are some tips to keep you a few shots ahead of Father Time:

- **Go for the short shots:** While the years may rob you of some of that strength and agility, preventing you from sending your tee shots soaring into the big blue, concentrate instead on developing your short game.
- **Stretch those tired muscles:** While we don’t need to remind you that some of the old joints may not be as willing to take to the greens as during earlier times, you should recognize the importance of a good and thorough warm-up before play. Remember, an ounce of prevention can offset weeks of sore shoulders and backs.
- **Reconsider your equipment:** You may not be Dustin Johnson anymore, but you’ll certainly settle for Jack Nicklaus. Older golfers should consider reexamining their equipment. Restricted mobility and less cooperative muscle groups shouldn’t stand in the way of energizing your game and restoring that old passion. New clubs may be all you need to put the fire back in those bones.

You may not have the Masters Tournament in mind when you’re hitting the links, but there’s no reason why you can’t have an enjoyable and exhilarating time on the course at any age—with a few minor age-related adjustments.

Tip adapted from PGA.¹³



Tackling a Sore Throat

Winter may bring wonderland to the world outside, but the bluster and tumult of ole Jack Frost certainly bring along some unwelcome guests. The sore throat is one of the most common health complaints during the colder months of the year.

A sore throat can take three forms:

- **The common sore throat precedes a cold.** Other symptoms include a runny nose and congestion.
- **Strep throat causes a sore throat.** Streptococcus bacteria cause strep throat.
- **A sore throat can be caused by tonsillitis.** Tonsillitis is a painful inflammation or infection of the tonsils.

How do you treat sore throats?

Viruses do cause sore throats, so antibiotics won't help. Rest is the only treatment for a sore throat that's not strep throat. Antibiotics do help treat strep throat. Seek a doctor's treatment if you think you have strep throat.

Tip adapted from WebMD.¹⁴



Discover Easy Tips for Going Green

Going green isn't about making a fashion statement. It's about developing a lifestyle that helps preserve the planet's delicate ecosystems by taking individual responsibility for how we live and interact with our immediate environments.

Here are 5 tips to help you lead the green life:

- **Eat less meat.** Reducing your meat intake can have a profound impact on the planet. Nearly a third of the Earth's surface is used to raise and support livestock.
- **Less paper, more recycling.** Recycling one short ton of paper can save 17 mature trees.

- **Forget paper or plastic and go canvas.** Canvas shopping bags may cost more, but produce far less waste than plastic or paper bags. Canvas bags are also sturdier and can be used to store items.
- **Buy the right light bulbs.** You don't need to buy replacement bulbs if your old ones are still shining. When your bulbs do go out, replace them with eco-friendly brands.
- **Use cloth instead of paper.** Use old t-shirts or other older clothing to do spring cleaning or spill cleanup. Using paper towels is just a waste of paper.

Going green is easy. Just a few simple steps and you're on your way to a greener, cleaner life.

Tip adapted from Wheels for Wishes.¹⁵

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

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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.

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¹ <http://performance.morningstar.com/Performance/index-c/performance-return.action?t=SPX®ion=usa&culture=en-US>
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<http://performance.morningstar.com/Performance/index-c/performance-return.action?t=@CCO>

² <https://www.cnbc.com/2018/01/19/us-stocks-government-shutdown-earnings.html>

³ <https://www.bloomberg.com/news/articles/2018-01-18/asian-stocks-face-mixed-start-treasuries-drop-markets-wrap>

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

⁵ <https://www.cnbc.com/2018/01/19/us-stocks-government-shutdown-earnings.html>

⁶ <https://www.marketwatch.com/story/shutdown-all-but-certain-at-midnight-as-spending-bill-lacks-votes-2018-01-19>

⁷ <https://www.marketwatch.com/story/shutdown-all-but-certain-at-midnight-as-spending-bill-lacks-votes-2018-01-19>

⁸ <https://www.cnbc.com/2018/01/19/us-stocks-government-shutdown-earnings.html>

⁹ <https://www.marketwatch.com/story/shutdown-all-but-certain-at-midnight-as-spending-bill-lacks-votes-2018-01-19>

¹⁰ <https://www.cnbc.com/2018/01/19/us-stocks-government-shutdown-earnings.html>

¹¹ <http://www.goodhousekeeping.com/food-recipes/a45698/cherry-tomato-casserole-white-beans-basil-recipe/>

¹² <https://www.irs.gov/newsroom/how-to-get-tax-transcripts-and-copies-of-tax-returns-from-the-irs>

¹³ <http://www.pga.com/news/news-feature/three-tips-senior-golfers-looking-improve-their-game>

¹⁴ <https://www.webmd.com/cold-and-flu/sore-throat-treatment>

¹⁵ <https://www.wheelsforwishes.org/news/live-a-more-eco-friendly-lifestyle/>