



Special Update: Quarterly Report

Weekly Update – July 8, 2019

The Week on Wall Street

U.S. stock benchmarks opened a new quarter positively. The S&P 500 gained 1.65% in the opening week of July; the Dow Jones Industrial Average, 1.21%; the Nasdaq Composite, 1.94%. Overseas, stocks in developed markets, tracked by MSCI's EAFE index, rose 1.43%.^{1,2,3,4}

On July 3, the S&P posted its latest record close: 2,995.82. In other news, the Department of Labor said that the economy added 224,000 net new jobs in June, far more than the 160,000 projected by analysts in a Bloomberg poll. The headline jobless rate ticked up 0.1% to 3.7% in June; the U-6 rate, including the underemployed, also rose 0.1% to 7.2%. Finally, the Office of the U.S. Trade Representative said that the federal government plans to levy new tariffs on \$4 billion of food and beverages coming from the European Union.^{5,6,7}

Monday, July 15 will mark the start of the next earnings season. Money-center banks report first, followed by companies from a variety of industries. As Wall Street gets ready for their results, we will take a moment to recap Q2 index performance and the quarter's two biggest news developments.

Stocks Rose, Fell, and Rose Again

The S&P 500 gained 3.93% in April, dropped 6.58% in May, and climbed 6.89% in June. In the end, it advanced 3.79% for the quarter, outdoing the Q2 gains of the Nasdaq Composite (3.58%) and Dow Industrials (2.59%).^{8,9}

The Fed Hinted at a Shift in Monetary Policy

The central bank's June statement took out a reference about being "patient" on borrowing costs and noted that Fed policymakers would "act as appropriate" to try and sustain economic growth. The latest dot-plot, showing the opinions of Fed officials about where interest rates might be in the near future, showed nothing like consensus.¹⁰

U.S.-China Trade Talks Stalled, But May Resume Soon

In May, the U.S. and China announced they would hike tariffs on each other's exports during the quarter. Formal trade negotiations broke down for six weeks. On June 29, President Trump announced at the Group of 20 summit in Japan that talks would soon resume and that the U.S. would hold off on tariffs slated for another \$300 billion in Chinese goods.^{11,12}

What's Next

As the quarter gets underway, traders are wondering if an interest rate adjustment and a U.S.-China trade deal are in store for the summer; there is also some ambiguity about the economy's momentum. Investors will have plenty to consider in the coming weeks.

THE WEEK AHEAD: KEY ECONOMIC DATA

Tuesday: Federal Reserve Chairman Jerome Powell delivers opening remarks at a conference at the Federal Reserve Bank of Boston.

Wednesday: Fed Chair Powell testifies on monetary policy in Congress, and the Fed also releases the minutes from its June meeting.

Thursday: The June Consumer Price Index appears, showing monthly and yearly changes in inflation.

Source: Econoday / MarketWatch Calendar, July 5, 2019

The Econoday and MarketWatch economic calendars list upcoming U.S. economic data releases (including key economic indicators), Federal Reserve policy meetings, and speaking engagements of Federal Reserve officials. The content is developed from sources believed to be providing accurate information. The forecasts or forward-looking statements are based on assumptions and may not materialize. The forecasts also are subject to revision.

THE WEEK AHEAD: COMPANIES REPORTING EARNINGS

Tuesday: PepsiCo (PEP)

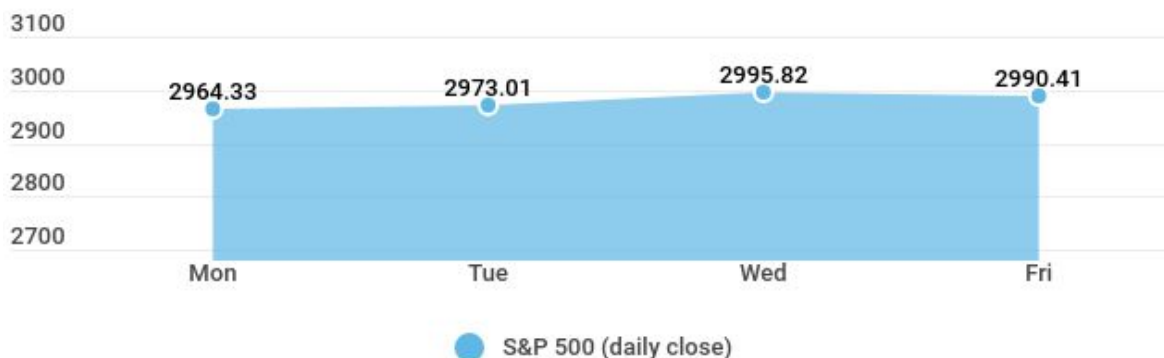
Wednesday: Bed Bath & Beyond (BBBY)

Thursday: Delta Air Lines (DAL), Fastenal (FAST)

Source: Zacks.com, July 5, 2019

Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities. Any investment should be consistent with your objectives, time frame and risk tolerance. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost. Companies may reschedule when they report earnings without notice.

Market Index	Close	Week	Y-T-D
DJIA	26,922.12	+1.21%	+15.41%
NASDAQ	8,161.79	+1.94%	+23.01%
MSCI-EAFE	1,949.70	+1.43%	+13.36%
S&P 500	2,990.41	+1.65%	+19.29%



Treasury	Close	Week	Y-T-D
10-Year Note	2.04%	+0.04%	-0.65%

Sources: The Wall Street Journal, July 5, 2019; TradingView.com, July 5, 2019; Treasury.gov, July 5, 2019

The market indexes discussed are unmanaged and generally considered representative of their respective markets. Individuals cannot directly invest in unmanaged indexes. Past performance does not guarantee future results. Weekly performance for the Dow Jones Industrial Average, Standard & Poor's 500 index, and NASDAQ Composite is measured from the close of trading on Friday, June 28 to the Friday, July 5 close. Weekly performance for the MSCI-EAFE is measured from the Friday, June 28 open to the Thursday, July 4 close. U.S. Treasury Notes are guaranteed by the federal government as to the timely payment of principal and interest. However, if you sell a Treasury Note prior to maturity, it may be worth more or less than the original price paid. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points. International investments carry additional risks, which include differences in financial reporting standards, currency exchange rates, political risks unique to a specific country, foreign taxes and regulations, and the potential for illiquid markets. These factors may result in greater share price volatility.

QUOTE OF THE WEEK



“And so with the sunshine and the great bursts of leaves growing on the trees... I had that familiar conviction that life was beginning over again with the summer.”

– F. Scott Fitzgerald, *The Great Gatsby*

RECIPE OF THE WEEK



Chipotle-Maple Chicken Thighs



[6 to 8 Servings]

Ingredients:

- 1 Tbsp. paprika
- 2 Tbsp. brown sugar
- 1½ tsp. salt
- 2 tsp. dry mustard
- 2 tsp. garlic powder
- ½ tsp. chili powder
- ½ tsp. black pepper, freshly ground
- 2½ lbs. skinless, boneless chicken thighs
- ½ cup ketchup
- ¼ cup pure maple syrup
- 2 Tbsp. molasses
- 1 Tbsp. chipotle chile peppers, finely chopped
- 2 tsp. Worcestershire sauce
- 3 Tbsp. lime juice, freshly squeezed
- Lime wedges (optional)

Directions:

Whip out the grill for this delicious, sweet-and-spicy chicken recipe! These chicken thighs are the perfect meal for a summer afternoon because the rich texture of the thighs blends nicely with the sweet, smooth maple and the kick of chipotle. Plus, it's only 3 steps!

1. To make the seasoning, mix together the paprika, brown sugar, salt, half the dry mustard, half the garlic powder, chili powder, and black pepper. Sprinkle the seasoning generously on both sides of the chicken thighs, then chill them in the fridge for 30 minutes.
2. While the chicken thighs are chilling, combine the ketchup, maple syrup, molasses, chipotle peppers, Worcestershire sauce, and the remaining dry mustard and garlic powder together in a saucepan and bring it to a boil. Reduce to low heat and simmer for 15 minutes, stirring occasionally.
3. Fire up the grill to medium-high heat, add the chicken, and cook for 4 minutes. Flip and cook for four more on the other side. Add your freshly squeezed lime juice into the sauce above and brush the thighs with your sauce and cook each side for one minute (or until done, with an internal temperature of 170° F). Let the chicken thighs rest for 5 minutes and serve with a lime garnish.

Recipe adapted from Midwest Living¹³



How to Research Tax-Exempt Organizations

Not only does donating to a local charity or nonprofit feel good and help others, but your donations can also be a tax deduction. But before you donate, make sure you research the organization to see if it is, indeed, tax exempt.

The IRS makes it easy to check the status of various organizations to ensure that they are eligible to receive tax-deductible contributions. Their tool, [Tax Exempt Organization Search](#), allows users to research an organization, quickly and easily, using information like the organization's name, Employee Identification Number, and location.

In addition to finding out whether an organization is eligible to receive tax-deductible donations, users can also see automatically revoked organizations (which happens if they don't file their required Form 990-series for three years in a row), IRS determination letters that recognize the organization as tax exempt, and more. Doing good for others, getting rid of things you no longer need, *and* being eligible for a tax deduction? Sign us up!

* 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 professional.

Tip adapted from IRS.gov¹⁴



See the Hole (Literally)

You can read tips about improving your putting, driving the ball, and working on your pitch shot all day, but all those tips aren't going to do you any good if you can't actually see the hole. It might seem obvious, but if you really want to improve your game, you should get your eyes checked at least once a year.

Regular eye exams are recommended for everyone, but for golfers, they're especially important. Did you know that your vision could change the way you see the course by up to 25%? That means that if the hole is 12.5 feet away, you might think it's 10 feet away. In a game that comes down to inches on the green, this error can drastically change your performance.

Not sure whether you should go in for an exam? There are a lot of free eye tests and practices you can do in the comfort of your own home. These tests will give you a better idea of whether your eyesight is impacting your game.

Tip adapted from Golf Influence¹⁵



What are Alkaline Foods, and How Can They Benefit You?

We're going to take it back to high-school chemistry class for this week's health tip. Eating healthy foods and exercising are two of the main components of a healthy lifestyle, but maintaining a healthy pH level should be one, too. All foods are classified as acidic or alkaline, and knowing which ones are which can help you lose weight, reduce inflammation, and have more energy. Our kidneys are responsible for controlling our body's pH levels, and focusing on an alkaline diet may help them do their job more efficiently.

Alkaline foods include legumes, vegetables, fruits, nuts, and natural fats. An alkaline-based diet focuses more on these foods and less on processed foods, dairy, grains, and alcohol, all of which are considered acidic.

While there's still some big questions over whether the alkaline diet is all it's cracked up to be, you may enjoy more health benefits because the diet is rooted in eating more whole, unprocessed foods.

Tip adapted from Healthline¹⁶



Reduce Plastic in the Kitchen

By now, most of us are aware of the obvious ways to save plastic, including bringing our own reusable bags to the grocery store, using a reusable water bottle instead of disposable plastic ones, and bringing our favorite mug to work instead of using plastic or paper cups. But did you know there are many ways to reduce plastic waste in the kitchen that you might not have considered?

We use a lot of plastic when cooking and preparing food. If you're like most households, you use plastic bags to store food and pack lunches, aluminum foil to cook in the oven, plastic wrap to store leftovers, and more. Here are some simple swaps that will help you reduce your plastic usage!

- Use reusable food storage bags instead of plastic ones. There are silicone, fabric, and canvas options, and most are easily washable.
- Instead of spreading out aluminum foil across a whole pan, use a heat-resistant, silicone mat to reduce waste.
- Store leftovers in glass containers instead of plastic ones, and wash and reuse those containers for as long as possible.
- Use an environmentally friendly wrap instead of plastic wrap. We love the ones made out of beeswax!

These small swaps for plastic can really make a big difference.

Tip adapted from Mindful Momma¹⁷

Share the Wealth of Knowledge!

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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.

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¹ <https://quotes.wsj.com/index/DJIA/historical-prices>

² <https://quotes.wsj.com/index/COMP/historical-prices>

³ <https://quotes.wsj.com/index/SPX/historical-prices>

⁴ <https://quotes.wsj.com/index/XX/990300/historical-prices>

⁵ <https://www.marketwatch.com/story/sp-500-heads-for-3rd-straight-record-ahead-of-private-sector-jobs-report-2019-07-03>

⁶ <https://fortune.com/2019/07/05/us-hiring-jobs-data-rebounds/>

⁷ <https://www.cnn.com/2019/07/02/economy/us-tariffs-on-eu/index.html>

⁸ <https://money.cnn.com/data/markets/sandp/>

⁹ <https://www.tradingview.com/markets/indices/quotes-us/>

¹⁰ <https://www.bloomberg.com/news/articles/2019-06-19/fed-scraps-patient-rate-approach-in-prelude-to-potential-cut>

¹¹ <https://www.piie.com/blogs/trade-investment-policy-watch/trump-trade-war-china-date-guide>

¹² <https://www.bloomberg.com/news/articles/2019-06-29/xi-trump-agree-to-restart-trade-talks-china-says>

¹³ <http://www.midwestliving.com/recipe/chipotle-maple-chicken-thighs/>

¹⁴ <https://www.irs.gov/newsroom/tool-helps-donors-research-tax-exempt-organizations>

¹⁵ <https://www.golfinfluence.com/skill/17-best-golf-tips>

¹⁶ <https://www.healthline.com/nutrition/the-alkaline-diet-myth#ph>

¹⁷ <https://mindfulmomma.com/reusable-kitchen-products/>

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