

### Uncertainty Ahead?

Domestic investors are facing two distinct periods of uncertainty: now through Labor Day (September 3) and Labor Day until the midterm elections (November 6). Ed Mills, Washington policy analyst, expects the first period is likely to see elevated activity with the Mueller investigation, continued trade-related escalations, and increased geopolitical headlines. As Washington, D.C., works through these issues, he is concerned about the binary nature of these fights teetering between potentially extremely positive and negative outcomes.

Key flashpoints on trade matters over the next several weeks could see Chinese tariffs, investment restrictions, a possible NAFTA breakthrough with Mexico, and possible tariffs on imported cars moving toward resolution or increasing escalation. The upcoming midterm elections combined with the possible late-summer wrap-up of the special counsel investigation could also contribute to potential uncertainty, Mills said.

Meanwhile, second-quarter gross domestic product (GDP) was reported in line with estimates at 4.1%, the strongest quarterly growth in four years. This is only the fifth time since the credit crisis that quarterly growth exceeded 4%, noted Senior Equity Portfolio Analyst Joey Madere.

Despite noise from headline news, all the major domestic equity indices were up for the month (the fourth monthly gain for the Standard & Poor's 500). Year-to-date performance was also positive as shown below, although the global MSCI EAFE index and Bloomberg Barclays U.S. Aggregate Bond index each slid almost 2%.

	12/29/17 Close	7/31/18 Close	Change Year to Date	% Gain/Loss Year to Date
DJIA	24,719.22	25,415.19	+695.97	+2.82%
NASDAQ	6,903.39	7,671.79	+768.40	+11.13%
S&P 500	2,673.61	2,816.18	+142.57	+5.33%
MSCI EAFE*	2,050.79	2,011.39	-39.40	-1.92%
Russell 2000	1,535.51	1,670.71	+135.20	+8.80%
Bloomberg Barclays Aggregate Bond	2,046.37	2,011.77	-34.60	-1.69%

Performance reflects price returns as of 4:30 EDT on July 31, 2018. \*EAFE performance reflects the previous close.

Should anything change, I'll be sure to keep you updated on anything that could affect your long-term financial plan. Thank you for your trust in me.

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