

THE HEADLINES OF YOUR LIFE

VOLATILITY returning to the markets this past quarter is a bit of an understatement. In just a short 12 weeks our clients have been subjected to a rapid descent followed by the rollercoaster ride back up in March. We sent out multiple communications advising you to “stay the course,” which we know at times is difficult to follow. Having a plan and sticking with it is a large part of being successful.

We are as weary of the daily negative headlines as you are, but these market/political/economic headlines tend to be very short term in nature. We suggest that the headlines you should be paying attention to are the headlines of your life. These personalized headlines describe your specific life objectives: college tuition, weddings, new homes, retirement, charitable bequests. These big ticket objectives require a proactive, not a reactive approach to managing your portfolios.

Landmark’s financial planning process and corresponding portfolio investment implementation reinforces the idea that your portfolio should change over time, but usually only in response to headlines in your personal life—the birth of a child or the desire to retire early.

In summary, try not to focus on areas where you have little control: changes in investor sentiment, the market’s volatile swings day to day, the latest forecasts from prognosticators. We would rather you focus your energy on things in your control: defining your goals, saving and spending patterns, and allowing us to implement a long-term appropriate asset allocation.



One of the funny things about the stock market is that every time one person buys, another sells, and both think they are astute.

WILLIAM
FEATHER

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ZIGLAR

Expect the best.
Prepare for the
worst.
Capitalize on
what comes.

WHAT'S DRIVING THE MARKETS?

All recessions come with a stock correction, but not all stock corrections lead to recession.

Since the start of 2016, investors have grappled with market volatility spurred by concerns about China, oil prices, the strength of the U.S. dollar, and Federal Reserve policy. The recent equity market correction has raised concerns about the risk of a U.S. recession. However, global equity market corrections tend to produce false recession signals, and we believe the current market volatility was such an occurrence. History shows a mixed track record for the market in predicting recessions, with as many hits as misses since 1960.

The health of U.S. consumers is critical for U.S. economic growth. The U.S. consumer sector accounts for nearly 70% of the nation's gross domestic product.

We have identified five factors that should continue to support U.S. consumer spending and, by extension, U.S. economic growth. They include:

1. Faster job growth
2. Rising wages
3. Lower oil prices, accompanied by a stronger U.S. dollar
4. Stronger household balance sheets
5. Solid housing-market fundamentals

While growth in China and other emerging markets could slow this year, the U.S. economy may demonstrate surprising strength as a result of domestic consumption. With a little help from business spending and an expanded federal budget, 2016 could feature stronger U.S. economic growth than 2015, despite economic hurdles elsewhere in the world. As an added benefit, if our economy continues to grow, it will help others around the world—global economies are all connected with the US being the largest.

LANDMARK FINANCIAL ADVISORS WEIGHTINGS AGAINST THE FTSE GLOBAL ALL CAP INDEX AND S&P 500

