JANUARY 2017

THE INVESTMENT INSIGHTS

A newsletter brought to you by GGFS

A brief look back at 2016

2016 started on a tough note for markets, which fell double digits through early February on the heels of the Fed's first rate hike in nearly a decade. In addition to market turbulence, investors also had a long series of geopolitical events which to contend with. In February, Apple refused to cooperate with the FBI in hacking the iPhone that belonged to San Bernardino gunman Syed Farook, causing some to question Apple's patriotism. In March, President Obama made the first official visit to Cuba in nearly 50 years, marking the beginning of better relations between the two nations. Later in the year, President Obama also became the first President of the United States to visit Hiroshima since WWII – both visits were viewed as controversial by some. Tensions between the police and the public rose to an all-time high over the summer, after 3 police officers were ambushed and murdered and 3 more were wounded in Baton Rouge, LA. Of course we know of the various political scandals and allegations heading up to the Presidential elections (no need to be reminded of those).

In spite of all the turmoil, the U.S. economy continued to chug along and strengthen, as did the market – undistracted by rumors and short-term events, with the S&P 500 ultimately gaining over 10% by year's end.

Although index gained, performance was very uneven during the year, with utilities and high-quality dividend-paying stocks leading the way for most of the year, before their small-cap brethren took over market leadership after the November 8th elections. 2016 was truly a year in which the winners of 2015 underperformed and the laggards of the previous year shined.

Gary Goldberg Financial Services Strategic Investment Committee

Gary M. Goldberg
Founder / CEO

Oliver Pursche
CEO of Bruderman Brothers, LLC

William Krivicich, CFA
Chief Investment Officer

Richard Kersting
Executive Vice President

Peter Dedel
Vice President / Head of Trading

Complete list of bios at
www.ggfs.com/professionals

Look Ahead

Predictions and forecasts are tough, as there are entirely too many unknowns and variables. So, instead of trying to make wild assumptions we'll stick with what we know – which is that right now the U.S. economy continues to strengthen, consumer confidence has climbed to an all-time high and business leaders as a whole are optimistic that the new administration will usher in an era of less regulations and a more 'business-friendly' environment. From an investment thesis perspective, this means that we are likely to see "more of the same" – at least for now. While we expect high-quality dividend stocks to remain in favor with many investors, we also expect growth stocks to out-perform. In particular, we see stronger performance in companies that are more domestic (U.S.) focused as opposed to multi-national firms that may see some drag-down effect from stagnating economic conditions abroad. Nonetheless, we're certain that within the multi-national arena there will be some shining stars as well, so investors are urged not to only focus on U.S. companies and keep a long view when it comes to investing.

While we do expect the Federal Reserve to raise rates a few times in 2017, the pace is likely to be moderate and should not have an overwhelmingly negative impact on GDP growth or the business environment. As we detailed in one of our recent Webinars, the Fed could raise rates 12 times by ¼ % next year and interest rates would still be low by historical standards – to be clear we do not expect the Fed to raise rates more than a handful of times. One thing is absolutely clear, things will change – no one can predict in which direction, or if it will be for the better or the worse, but the economies of the world, including ours will change and provide new opportunities as well as challenges. Paying attention without allowing short-term events and 'noise' to distract us will be the key to another successful year.

Top Stories

Recent Press from GGFS

Visit **www.ggfs.com/press** for all media appearances

CNBC | January 9, 2017
Pro on Dow: Think it's going to be a bell curve

Fox Business News | December 20, 2016
Is Donald Trump erally behind the Wall Street rally?

Forbes.com | December 6, 2016
2017 Investment Strategies in a 'Trump Economy'

MarketWatch.com | September 12, 2016
The Market in a Minute: How many dominoes does it take to make this market fall?

Webinars

If you missed any of our recent webinars visit **www.ggfs.com/webinars**

Latest Webinars: The Impact of Rising Interest Rates (A 2-part series)

Upcoming Webinar: The First 100 Days

Please see articles for important disclosures.

The market value of convertible bonds and the underlying common stock(s) will fluctuate and after purchase may be worth more or less than original cost. If sold prior to maturity, investors may receive more or less than their original purchase price or maturity value, depending on market conditions.

Past performance is not a guarantee of future results.

Opinions express herein are those of Oliver Pursche, and are subject to change without notice and may differ or be contrary to the opinions or recommendations of Gary Goldberg Financial Services, Bruderman Asset Management or Montebello Partners, LLC. These opinions are not investment advice, recommendations, or an offer or solicitation to buy or sell any securities. Any price or quotation contained herein are indicative only and do not constitute an offer to buy or sell any securities at any given price. No representation or warranty, either expressed or implied, is provided in relation to the accuracy, completeness, reliability, or appropriateness of the information or methodology contained in this material. Opinions expressed are not investment recommendation or advice and should only be considered as a single factor in any investment decision. Investors should consult with their own investment advisor prior to making any investment decisions. Gary Goldberg Financial Services, Bruderman Asset Management, Montebello Partners, and/or their affiliates may have an interest long or short and may be actively trading the securities mentioned in this report and may in fact be executing a strategy contrary to the opinion shared within this report. Gary Goldberg Financial Service, Bruderman Asset Management, Montebello Partners, LLC, its directors, officers and employees, including Oliver Pursche, do not accept any responsibility or liability for any loss or damage arising out of the use of all or any part of these materials.