



# THE Investment Insights

Brought to you by Gary Goldberg Financial Services

October 2016 Issue

## October 2016 Newsletter

### 2016 so far...

It's certainly been an interesting year for investors so far. After the Federal Reserve hiked interest rates for the first time in nearly a decade last December, stocks sold off sharply dropping nearly 10% in January and February before rebounding later in the first quarter. The second quarter amounted to very little in terms of gains or losses, with the S&P 500 ending about ½% higher than where it began. Investors who followed the old Wall Street adage "Sell in May and Walk Away" missed out on some of the best gains this year, as the S&P 500 gained nearly 4% during the third quarter. The month of September did reintroduce significant volatility as market participants grew nervous over a looming interest rate hike by the Fed, the upcoming earnings season and pondered the implications of a tightening Presidential race.

### Looking Ahead

Historically, the fourth quarter of the year has often been the best performing quarter for equities, and we believe this can once again be the case in 2016. The key for stocks to continue to rise will be three fold – Congress has to begin implementing smarter fiscal policies to reduce our deficit and debt levels. While some of you might be sighing at the prospect of Congress getting anything done, there is hope, as the first year of a new administration is often accompanied by actions (much more so than towards the end of a Presidential term, in particular the end of a second term). Secondly, corporate earnings growth has to resume. Here to, there is reason for optimism as recent retail sales, home sales and consumer spending data has been slightly more robust than previously estimated. Third, global growth has to pick up without the prospect of rising inflation – this one will be tricky as demographics and trend are not in our favor here. On balance, we do think that investors will have the opportunity to make money in 2017, however a lot of analysis and selectivity will have to be applied to investment decisions, as major indexes are unlikely to be the strongest performers.

### Corporate News

It was a wonderful summer for the GGFS family, as we enjoyed several fantastic events with many of you – including the Rye PlayLand event where nearly 1,000 of you joined us. We've started planning for our annual client breakfast updates, which are scheduled for December 3rd in Tarrytown, and January 7th in the Fishkill area.

Thank you for your continued trust and confidence in us.

Sincerely,

**The Gary Goldberg Financial Services Strategic Investment Committee**  
**Optimistic by Nature, Defensive by Strategy**  
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### Gary Goldberg Financial Services Strategic Investment Committee

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