***November 2017***

***MARKET OUTLOOK:***

*As I write this, it has been one year since the election of President Trump.  The equity markets which where down significantly on election night are now up quite substantially.  The****S&P 500 is up 20%****, the Dow and Nasdaq indexes are both up 30% since election night.*

*Trump's****business friendly agenda****and the Fed's****accommodative monetary policy,****have had a positive effect on equities.  But, where do we go from here?  Allan Greenspan, in December of 1996, while head of the Federal Reserve, coined the expression****"irrational exuberance,"****when referring to the dot com euphoria. But, the dot com bubble didn't burst for another 3-4 years, and in fact returned close to 80% over the next 3 years!*

*One thing for certain is that****there will always be uncertainty in the financial markets.****Investors in equities are paid a****premium to take on risk.****Stocks will outperform bonds and bonds will outperform cash over time. In the meantime how do you mitigate the risks involved in investing?*

*As a Money Manager, I like to diversify investments over various asset classes, through****asset allocation****risk is spread out and returns are maximized.  Using****low cost, passively managed index funds or ETF's****will further reduce risk and be more tax efficient.  Finally, if new monies are being invested you need to****dollar cost average,****or spread out your purchases into your investment choices over time to lessen the risk of buying****"all in"****at a high.*

*Although, this strategy may not be as "glamorous" as owning individual stocks or other esoteric investment products, what I can tell you is that****it works,****and you will have the added benefit of being able to sleep at night!*

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