

For the second week in a row stocks were hit hard on Monday and Tuesday, leading stocks broadly lower. The Dow finished the week down 4.4%, the S&P 500 fell 3.8%, and the Nasdaq closed down 4.3%.

Growing controversy over US-Saudi Arabian relations caused crude oil prices to fall 11% last week, more than 6% on Friday alone, bringing stock prices down with it. Among the worst performers last week, nine of the twelve biggest decliners were from the oil patch. West Texas Intermediate oil closed the week at \$50.69, down 35% from its October 3rd high of nearly \$77. (www.investors.com)

Despite the market movement, the economy remains solid. The Conference Board Leading Economic Index (LEI), an index designed to determine peaks and troughs in the economy, points to robust growth in early 2019 with moderate growth to follow in mid to late 2019. The LEI is constructed to summarize and reveal common patterns in economic data by following ten components of the US economy, including: average weekly hours worked, average weekly initial claims for unemployment insurance, stock prices, and average consumer expectations. (www.conference-board.org)

Next week brings a range of useful reads on the economy, including on house prices, new-home sales, pending home sales, manufacturing, consumer confidence, income and spending, the minutes from the Federal Reserve's meeting earlier this month and an updated estimate of third-quarter economic growth (GDP). The initial GDP estimate in late October was a strong 3.5%, which was down from Q2's 4.2% pace, but above most economists' estimates.

For all of the market turmoil in October and November, US stock markets are essentially back to where we started the year, yet we still have plenty to be thankful for. Interest rates remain low. Corporate profit growth is robust. Employment is very, very strong. For all of the uncertainty surrounding the global economy and trade, the consumer is still spending and early reports on Black Friday sales suggest a healthy start to the holiday shopping season. In fact, as of 10:00am Cyber Monday is on track for \$7.8 billion in sales, which would be an all-time record. Anyone who bets against a well-employed, deep-pocketed U.S. consumer typically does so at their own investment peril.

Considering the economic and capital market fundamentals remain positive, our market outlook remains positive as well.

Regards,
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