

**Mixed Results as Turkey Stumbles**

Weekly Update – August 13, 2018

Stocks ended the week in mixed territory as trouble with Turkey’s currency affected U.S. equity performance on Friday, August 10.[[1]](#endnote-1) For the week, the S&P lost 0.25%, the Dow declined 0.59%, and the NASDAQ increased 0.35%.[[2]](#endnote-2) International stocks in the MSCI EAFE stumbled, giving back 1.57%.[[3]](#endnote-3)

Although last week brought relatively few economic updates, we did learn that the labor market continues to improve and consumer prices are on the rise.[[4]](#endnote-4) While this news may have affected market performance, the challenges facing Turkey’s economy had an outsize impact on global stocks.[[5]](#endnote-5)

**What happened to the Turkish lira?**

The Turkish lira dropped 14% to 6.46 per dollar, the weakest on record with the largest drop in more than 17 years. The lira ended the week at a record low against the U.S. dollar.[[6]](#endnote-6) Tension between the U.S. and Turkey played a part in the decline as President Trump tweeted plans to double tariffs on Turkish steel and aluminum imports. This potential tariff hike followed a stalled conversation between the two countries concerning an imprisoned U.S. pastor who Turkey believes supported a 2016 attempted coup.[[7]](#endnote-7)

**How did investors react?**

The resulting drop in the lira’s value concerned investors and led to losses in markets worldwide. Friday, the S&P 500 marked its largest daily decline since June after getting close to a new record high.[[8]](#endnote-8)

**Why do investors care?**

The lira’s drop is another sign that emerging markets are experiencing challenges in their economies.[[9]](#endnote-9) Some investors worry that Turkey’s economic crisis could spread to other countries or affect interest in other emerging markets.[[10]](#endnote-10)

**Should you be concerned?**

Probably not for now. U.S. companies don’t have a tremendous amount of exposure to Turkish markets.[[11]](#endnote-11)

We know that global dynamics can be complex and understanding their specific effects on your financial life may seem challenging. If you have any questions, contact us any time.

**ECONOMIC CALENDAR**

**Tuesday:** Import and Export Prices

**Wednesday:** Retail Sales, Industrial Production, Housing Market Index

**Thursday:** Housing Starts, Jobless Claims

**Friday:** Consumer Sentiment

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| --- | --- | --- | --- | --- | --- |
| DATA AS OF 8/10/2018 | 1 WEEK | SINCE 1/1/18 | 1 YEAR | 5 YEAR | 10 YEAR |
| STANDARD & POOR'S 500 | -0.25% | 5.97% | 16.20% | 10.87% | 8.13% |
| DOW | -0.59% | 2.40% | 15.88% | 10.41% | 7.99% |
| NASDAQ | 0.35% | 13.55% | 26.09% | 16.45% | 12.50% |
| INTERNATIONAL | -1.57% | -4.88% | 1.21% | 1.99% | 0.54% |
| DATA AS OF 8/10/2018 | 1 MONTH | 6 MONTHS | 1 YEAR | 5 YEAR | 10 YEAR |
| TREASURY YIELDS (CMT) | 1.92% | 2.23% | 2.42% | 2.75% | 2.87% |

Notes: All index returns (except S&P 500) exclude reinvested dividends, and the 5-year and 10-year returns are annualized. The total returns for the S&P 500 assume reinvestment of dividends on the last day of the month. This may account for differences between the index returns published on [Morningstar.com](http://morningstar.com/) and the index returns published elsewhere. International performance is represented by the MSCI EAFE Index. Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly.

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*“If we command our wealth, we shall be rich and free.*

*If our wealth commands us, we are poor indeed.”*

*— Edmund Burke*

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**Basil-Berry Lemonade Sorbet**



Serves 6 **Ingredients:**

1 cup sugar

1 cup lightly packed fresh basil

6 cups frozen mixed berries

¾ cup lemon juice (from about 4 lemons)

**Directions:**

1. Mix sugar and 1 cup of water in a medium saucepan.
2. On high, heat until the sugar dissolves. Stir occasionally.
3. Mix in basil. Remove from the heat. Cover the saucepan and let the mix cool for 15 minutes.
4. Strain the syrup in a medium bowl and discard the basil. Refrigerate the mix until it is cold.
5. Put frozen berries, lemon juice, and cooled basil syrup in a blender and puree until smooth.
6. Put the mix in a metal 8-inch square baking pan, cover it with plastic wrap, and freeze until it is firm enough to scoop, about 2 hours.

Recipe adapted from Good Housekeeping[[12]](#endnote-12)



**IRS’s ‘Free File’ Available Until October 15\***

October 15 is the filing deadline for taxpayers who requested extensions on their 2017 tax returns.

The IRS provides several resources to help taxpayers file their forms:

Taxpayers who made $66,000 or less can go to <https://www.irs.gov/filing/free-file-do-your-federal-taxes-for-free> for information on filing for free. Those who made more may use the IRS’s Free File Fillable Forms, which are the agency’s electronic versions of the paper forms.

Taxpayers can go to <https://www.irs.gov/help/ita> to get many of their tax questions answered.

The agency provides a search directory of tax preparers at <https://irs.treasury.gov/rpo/rpo.jsf>.

The IRS urges taxpayers to retain copies of returns and other supporting documents for at least three years.

Other details may apply, and you can find more information on the IRS website.

\*This information is not intended to be a substitute for specific individualized tax advice. We suggest you discuss your specific tax issues with a qualified tax advisor.

Tip adapted from IRS.gov[[13]](#endnote-13)



**Basic Driver Keys for Power and Accuracy**

Your clubface hits the ball and the ball lands exactly where you envisioned—on the green. Your next move is to get out your putter and complete the shot.

That’s the perfect world. The real world, however, is different. With a little more power, you can get the ball closer to the green. With a little more accuracy, you can get the ball to land on the green.

Let’s go back to the basics.

**Ball position**: Play the ball just inside the front heel. As you drive forward, you turn behind the ball for the upswing.

**Shoulder alignment**: Play the ball up by keeping your shoulders parallel to the target line.

**The windup**: Start the downswing from the ground up. Move your knees and hips toward the target. Remember: chest to the ball at impact.

**Shoulder movements**: Keep your back shoulder down and in during the downswing. Don’t let your shoulders move out of the path in order to pack more power. Keep the club inside during the swing and straighten your arms to the ball.

Tip adapted from GolfDigest[[14]](#endnote-14)



**Oh, My Aching Joints!**

When those old joints start packing on the miles, they decide to take on a more ornery disposition. In other words, they become highly disagreeable. They’re not as limber as in younger days.

But there’s hope for those stiff, aching joints. Here are some tips to keeping you lively and pliable:

**Get a move on**. The more you move, the more your joints will get accustomed to movement. That means get off the couch, take frequent activity breaks from desk work or watching TV, and generally do something physical. Recall the 1981 song: “Let’s get physical, physical.”

**Lessen the load**. Those joints have to bear the burden of those extra pounds. Every pound you lose means 4 pounds of pressure off your knees.

**Stretch it**. Stretching is good, and ideally it should be done daily, but not when your muscles are cold. Warm up first.

**Go low**. As in low impact. Pounding those joints with high-impact exercises often translates into achy joints later. Walking, bicycling, swimming, and strength training are best.

**I’ll be back**. To some weight training. Building stronger muscles helps provide better support of your joints. Consult with a physical therapist or certified trainer to learn the best exercise program for you.

**Home on the range**. Work to restore your range of motion. Range of motion is the normal amount of movement of joints. A doctor or a physical therapist can recommend movements.

**Capture the core**. Build your abs and the back muscles, which will help with your balance. Pilates and yoga are good for the core.

**Watch the ouches**. Sore muscles after exercise is generally good. But if you hurt for longer than 48 hours, you may have overdone it. Take it easy during your next workout to prevent injury.

Tips adapted from WebMD[[15]](#endnote-15)

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**Go Green with Your Summer Cookout**

You want to be Earth friendly and have a summer cookout. How do you do it? Here are some tips for holding a green cookout:

* Summer’s garden-fresh produce allows you to serve zesty salads and other side dishes.
* Use a gas grill. If you do frequent barbecues, a gas grill might be right for you. Gas grills produce fewer pollutants.
* Use reusable utensils. Recycle cans and bottles.
* Encourage your guests to ride their bicycles or carpool to your picnic.
* Use “green” logs for campfires. The best logs are made from non-petroleum natural wax, recycled sawdust, used coffee beans, soy, and switchgrass.
* Provide pitchers of water or other beverages rather than individual bottles or cans.
* Purchase organic or locally grown vegetables and meats for your cookout.

Tip adapted from EarthShare[[16]](#endnote-16)

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Diversification does not guarantee profit nor is it guaranteed to protect assets.

International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors.

The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general.

The Dow Jones Industrial Average is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the NASDAQ. The DJIA was invented by Charles Dow back in 1896.

The Nasdaq Composite is an index of the common stocks and similar securities listed on the NASDAQ stock market and is considered a broad indicator of the performance of stocks of technology companies and growth companies.

The MSCI EAFE Index was created by Morgan Stanley Capital International (MSCI) that serves as a benchmark of the performance in major international equity markets as represented by 21 major MSCI indices from Europe, Australia, and Southeast Asia.

The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.

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You cannot invest directly in an index.

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1. <https://www.cnbc.com/2018/08/10/us-markets-political-concerns-keep-investors-on-edge.html> [↑](#endnote-ref-1)
2. <http://performance.morningstar.com/Performance/index-c/performance-return.action?t=SPX&region=usa&culture=en-US>

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<http://performance.morningstar.com/Performance/index-c/performance-return.action?t=@CCO> [↑](#endnote-ref-2)
3. <https://www.msci.com/end-of-day-data-search> [↑](#endnote-ref-3)
4. <http://wsj-us.econoday.com/byshoweventfull.asp?fid=485230&cust=wsj-us&year=2018&lid=0&prev=/byweek.asp#top>

<https://www.cnbc.com/2018/08/10/us-cpi-july-2018.html> [↑](#endnote-ref-4)
5. <https://www.marketwatch.com/story/us-stocks-pulled-into-global-selloff-as-turkeys-currency-crisis-raises-the-alarm-2018-08-10?dist=markets> [↑](#endnote-ref-5)
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7. <https://www.cnbc.com/2018/08/10/turkish-lira-loss-deepens-as-pm-erdogan-calls-for-citizens-to-convert-.html?recirc=taboolainternal> [↑](#endnote-ref-7)
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10. <https://www.marketwatch.com/story/worried-about-turkey-heres-what-it-will-take-to-push-wall-streets-buttons-2018-08-10> [↑](#endnote-ref-10)
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13. https://www.irs.gov/newsroom/irs-free-file-and-other-resources-are-available-until-october-15 [↑](#endnote-ref-13)
14. https://www.golfdigest.com/story/timeless-driver-keys-basics-on-setting-up-for-power-and-accuracy [↑](#endnote-ref-14)
15. https://www.webmd.com/rheumatoid-arthritis/better-living-ra-17/active/slideshow-keep-joints-healthy [↑](#endnote-ref-15)
16. http://www.earthshare.org/2008/09/now-thats-cookin.html [↑](#endnote-ref-16)