

**NATIONAL WEALTH ADVISORS** Inc.  
*Business & Personal Financial Planning*

**Michael A. Caputo, MSFS, AEP®**  
**President**

**SUMMIT FINANCIAL, L L C .**

**July 2019 Investment Newsletter**

National Wealth Advisors, Inc. is a DBA of Summit Financial, LLC. Investment advisory and financial planning services offered through Summit Financial, LLC an SEC Registered Investment Adviser. Securities brokerage offered through Purshe Kaplan Sterling Investments, Member FINRA/SIPC Headquartered at 18 Corporate Wood Blvd., Albany NY 12211 ("PKS"). PKS and Summit Financial, LLC are not affiliated companies.

08072019-540

# Investment Newsletter

JULY 2019

Market volatility was relatively low throughout the month and U.S. indices briefly touched all-time highs. However, the expected but controversial federal funds interest rate cut of 0.25% triggered volatility as we headed into August. Notably, this was the first time the Federal Reserve Board cut the federal funds rate since 2008. In an effort to handle market uncertainties, Federal Reserve Chairman Jerome Powell said the cut was “intended to ensure against downside risks from weak global growth and trade tensions” and did not imply the start of a series of future interest rate reductions. Some investors were hopeful for a larger reduction, perhaps 0.50%, but this did not materialize and the target rate now sits at 2.0%.

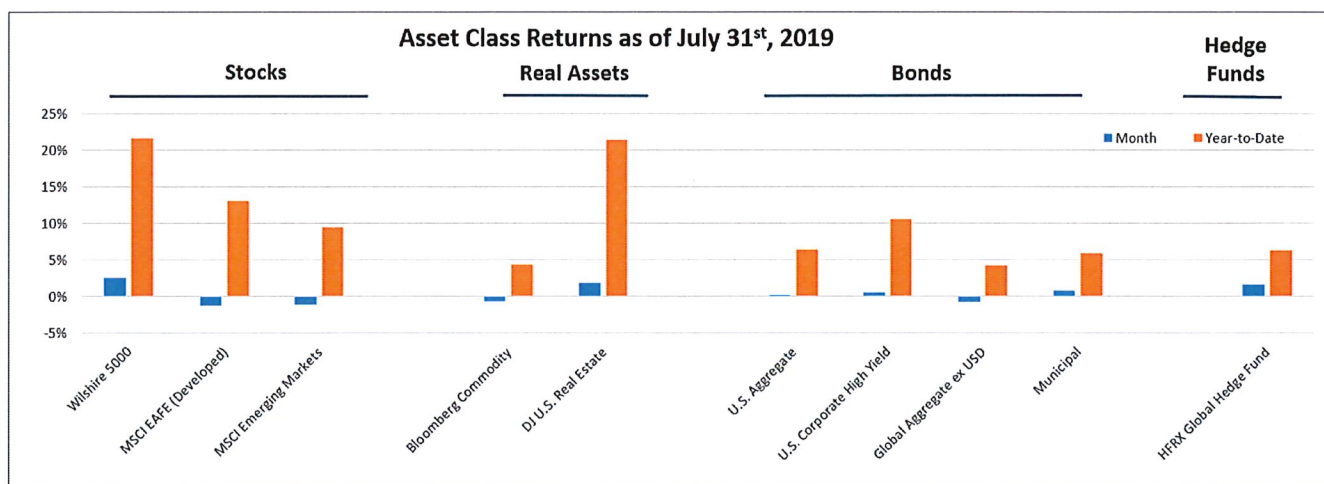
Although the S&P 500 Index incurred a sharp decline on the last trading day of the month, the Index increased by more than 1% throughout July, attributable to surprise positive earnings reports from some larger companies including Alphabet and Apple. Information technology was the best performing sector within the S&P 500, driven by companies’ strong reported earnings. On the flip-side, the energy sector again lagged due to reports of increasing natural gas supplies coupled with decreasing demand.

The U.S. unemployment rate is the lowest it’s been in 50 years and consumer spending remains a key area of strength within the economy. U.S. manufacturing is still reporting expansionary figures, although at a slowing pace and is now straddling the line between expansion and contraction. It remains to be seen how overall global growth continues to develop, and what impact future trade negotiations will have on this dynamic.

Internationally, most equity indices declined within both developed and emerging markets. European equities fell during the month partially due to the Bank of England’s stagnant monetary policy and declining growth forecast. Additionally, the election of Boris Johnson as the U.K. Prime Minister signaled a possible no-deal Brexit and contributed to a falling British pound. Likewise, Asian equity markets dropped after reports showed Chinese manufacturing activity contracted slightly in July.

Within fixed income, the U.S. Treasury yield curve remains inverted with the short-term 3-month rate sitting around 2.1%, above the 5-year rate of 1.8%. The U.S. Aggregate Bond Index produced higher returns than its international counterpart, the Global Aggregate ex U.S. Index based on higher yields.

## MARKET DATA

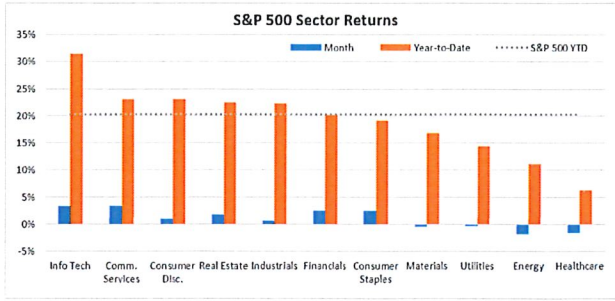


Morningstar®, bond indices from Bloomberg Barclays

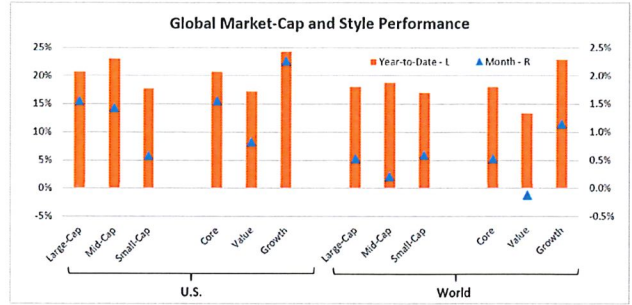


SUMMIT FINANCIAL

08062019-534

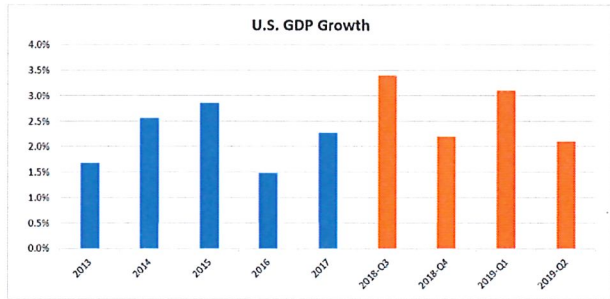


Bloomberg

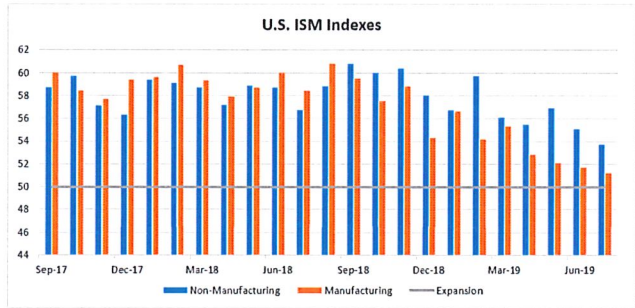


Bloomberg; U.S. indices from Russell and World indices from MSCI

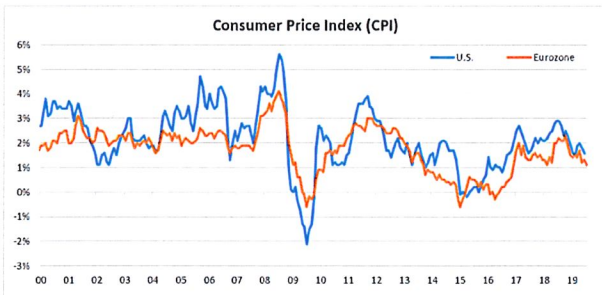
## ECONOMIC DATA



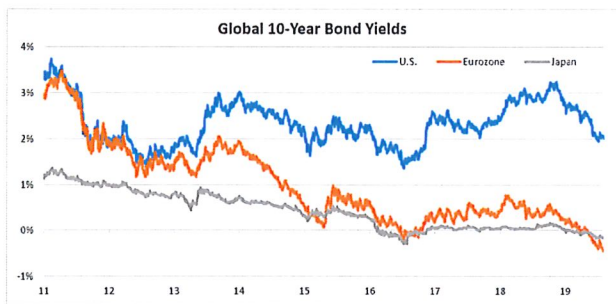
U.S. Department of Commerce



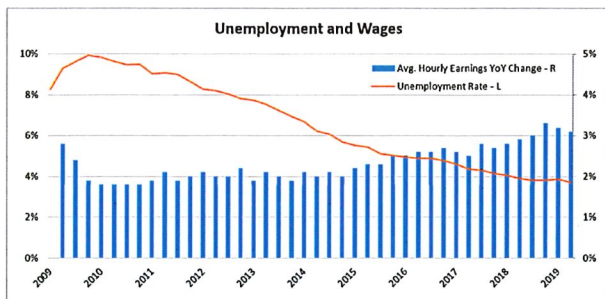
Institute for Supply Management



U.S. Bureau of Labor Statistics



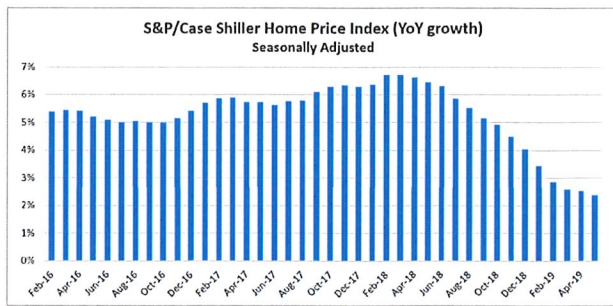
Bloomberg



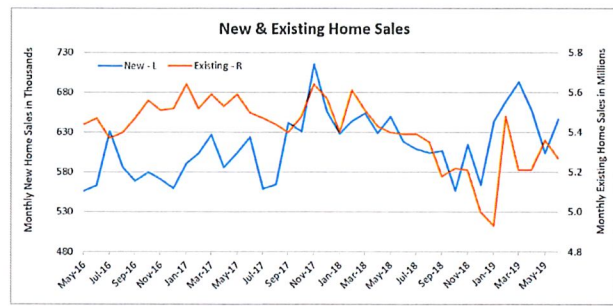
U.S. Bureau of Labor Statistics



Conference Board



S&amp;P/Case Shiller



U.S. Bureau of the Census

## DISCLAIMER

This commentary was written by Craig Amico, CFA®, CIPM®, Senior Investment Analyst, Noreen Johnston, CFA®, Director of Portfolio Management and Steven Melnick, CFA®, Senior Investment Analyst at Summit Financial, LLC., an SEC Registered Investment Adviser (“Summit”), headquartered at 4 Campus Drive, Parsippany, NJ 07054, Tel. 973-285-3600. It is provided for your information and guidance and is not intended as specific advice and does not constitute an offer to sell securities. Summit is an investment adviser and offers asset management and financial planning services. Indices are unmanaged and cannot be invested into directly. The Wilshire 5000 Total Market Index measures the performance of all U.S.-headquartered equity securities with readily available price data; the Standard & Poor’s 500 Index (S&P 500) is an unmanaged group of securities considered to be representative of the stock market; the Russell 3000 Index measures the performance of the largest 3,000 U.S. companies representing approximately 98% of the investable U.S. equity market; the MSCI EAFE Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index designed to measure the equity market performance of developed markets, excluding the U.S. and Canada; the MSCI Emerging Markets Index is a free float-adjusted market capitalization index designed to

measure the equity market performance of emerging markets; the Bloomberg Commodity Index measures the performance of an unleveraged, long-only investment in commodity futures that is broadly diversified and primarily liquidity weighted; the Dow Jones U.S. Real Estate Index measures the performance of the real estate sector of the U.S. equity market. It includes companies in the real estate holding and development industries and Real Estate Investment Trusts; the Bloomberg Barclays U.S. Aggregate Bond Index is a market capitalization-weighted index comprising Treasury securities, Government agency bonds, mortgage backed bonds, corporate bonds, and some foreign bonds traded in the U.S.; the Bloomberg Barclays Global Aggregate Ex U.S. Index measures the performance of global investment grade fixed-rate debt markets that excludes USD-dominated securities. The Bloomberg Barclays Municipal Bond Index covers the U.S. dollar-denominated long-term tax-exempt bond market. Data in this newsletter is obtained from sources which we, and our suppliers believe to be reliable, but we do not warrant or guarantee the timeliness or accuracy of this information. Consult your financial professional before making any investment decision. Past performance is no guarantee of future results. Diversification/asset allocation does not ensure a profit or guarantee against a loss.