



Weekly Wrap Up • June 3-7, 2019 • formanis.com

What's Jim Doing These Days? An Update on Jim Forman



In the financial management business, one would think the number one question would be related to investing and wealth management. In the case of FIS, our number one most asked question is “How is Jim doing?”.

To answer this question, we asked Jim himself about how retirement is treating him and his wife, Barb.

As many already know, Jim retired from Forman Investment Services in December 2017 after a minor heart attack in July of that year. “Unfortunately, as much as I loved working at FIS and with our clients, the financial management business is a stressful one and not conducive to heart-healthy living. Barb and I decided that it was time to step aside and allow Troy to take on the day-to-day running of the business and to spend some time together enjoying each other and our shared hobbies.”

So, what does a day in the life of Jim and Barb Forman look like now? It still includes attending activities with their kids and grandkids, volunteering at First Christian Church in Columbus, where Jim serves as

Chair of the Board of Trustees and both are involved in various other groups and activities, serving as President of the Foxpointe Office Park Condominium Association (where the FIS offices are located) and working together on various home improvement projects. Jim has also been a faithful follower of the exercise regimen prescribed by his cardiologist and remains in excellent health.

Jim and Barb have also joined many of their clients in Florida during the winters. They’ve wintered in Bonita Springs and Siesta Key/Sarasota and plan to return to Bonita Springs this winter. As Jim tells it, “Barb and I are both beach bums at heart, so there’s nothing better than January and February spent in 70s and 80s with your toes in the sand!”

As far as being missed, Jim appreciates all the clients who have asked after him. “I miss working day-to-day with our clients, who are the best in the world,” he said. “However, I am so fortunate that Troy and Cindy have built such a wonderful team to support our clients. I have no doubts that they are receiving the very best care.”

What happened in the markets last week?



by David Abuaf - Investment Manager, RJFS

News for the Week

General Markets / Economic

1. Airline industry earnings this year are expected to fall 21% short of expectations with trade tensions and rising costs denting the outlook
2. Federal antitrust enforcers and lawmakers are poised to scrutinize the nation's largest tech firms for potential anticompetitive practices
3. US manufacturing growth slowed in May amid renewed trade tensions
4. The World Bank lowered its global growth forecast for the year to 2.6%
5. The ECB's Draghi opened the door to rate reductions for the eurozone economy, a significant policy shift

Company News

1. Blackstone is buying a network of US industrial warehouses from Singapore-based GLP for \$18.7B
2. Airlines are increasingly anxious that Boeing's 777X long-haul jet will be delivered late, another potential setback for the plane maker
3. The drop in Tesla's deliveries has spurred questions about the depth of consumer demand for its cars
4. Infineon agreed to acquire Cypress semiconductor for \$9.4B
5. Fiat Chrysler withdrew its proposal to merge with Renault after the French government balked at the deal because it lacked the support of Japan's Nissan
6. YouTube said it is stepping up efforts to remove hateful content

Interesting Stories

1. There's one thing people can't buy in the US from Volkswagen – their best seller, the company's curry-flavored sausages. These sausages are available in 11 countries, but the US is not one!



TURNING BACK THE CLOCK TO 1999

Jun 16, 1999: Thabo Mbeki is elected the second President of a democratic South Africa.



Weekly Wrap Up • June 3-7, 2019 • formanis.com

Weekly Commentary

It has been a while since a massive stock market rally has frightened us this much.

On first glance, there seems no reason to be scared. The S&P 500 rose 4.4%, to 2873.34. It was the best week since November 2018.

Credit for the rally could be given to headlines about trade—the U.S. might not raise tariffs on Mexico on June 10, after all—and hopes that the Federal Reserve will cut interest rates, even if those hopes were fueled by disappointing economic data such as this past Friday's payrolls report. But, as Nicholas Colas, co-founder of DataTrek Research, noted after the S&P 500's 2.1% rise last Tuesday, "happy markets don't surge 2% in a day. Worried markets do."

That was certainly the case back in November, which preceded a very bad December. It's hard to see an imminent repeat of December's market slide, however, as the latest advance didn't attract as much buying.

The market, at its most basic level, is a math problem: The level of the S&P 500 is a function of earnings expected from S&P 500 companies multiplied by how much buyers of stocks are willing to pay for those earnings. Right now, S&P 500 companies are expected to report earnings of \$168.01 a share in 2019, according to FactSet, up 3.1% from 2018. The consensus estimates for 2020 is \$186.52. Dividing the S&P 500's latest closing price by 2020 earnings estimates yields a price/earnings ratio of 15.4.

The trade war, however, has made relying on those numbers nearly impossible. On May 31, Citigroup strategist Tobias Levkovich introduced his 2020 earnings target of \$178.50, which would mean that either the S&P 500's P/E multiple would have to rise, or the index would have to fall. But even Levkovich acknowledges that his number may be wrong. "It is extraordinarily difficult to measure the potential repercussions from a full-on trade war," he writes.

Even trying to get 2019 right isn't going to be easy. Analysts expect earnings to fall by 2.3% during the second quarter and stay basically flat during the third before a 7% rise during the fourth quarter produces any growth at all, observes DataTrek's Colas. That seems like a lot to ask.

The Fed's move toward easier monetary policy, which began in January, could give stocks a boost. But those kinds of shifts take about six months to work through the system, so we won't know for sure until third-quarter earnings season. "In the third quarter, we will start to find out whether the easing policies are starting to work and whether they prove to be more than enough to offset the negative impact from the trade wars," explains Leuthold Group's Jim Paulsen.

FORMAN

INVESTMENT SERVICES



Weekly Wrap Up • June 3-7, 2019 • formanis.com

Securities offered through Raymond James Financial Services, Inc. Member FINRA/SIPC. Investment advisory services offered through Raymond James Financial Services Advisors, Inc. Forman Investment services is not a registered broker/dealer and is independent of Raymond James Financial Services, Inc.

Companies engaged in business related to a specific sector are subject to fierce competition and their products and services may be subject to rapid obsolescence. There are additional risks associated with investing in an individual sector, including limited diversification. The 10-year Treasury note is a debt obligation issued by the United States government with a maturity of 10 years upon initial issuance. U.S. government bonds and Treasury bills are guaranteed by the U.S. government and, if held to maturity, offer a fixed rate of return and guaranteed principal value. If bonds are sold prior to maturity, you may receive more or less than your initial investment. Holding bonds to term allows redemption at par value. There is an inverse relationship between interest rate movements and bond prices. Generally, when interest rates rise, bond prices fall and when interest rates fall, bond prices generally rise.

All opinions presented are those of David Abuaf, and not of Raymond James or Forman Investment Services. All opinions are as of this date and are subject to change without notice. Raymond James is not affiliated with a and does not endorse the services or opinions of any of the quoted professionals or their respective firms/ publications.

This information is not a complete description of the securities, markets, or developments discussed and has been obtained from sources considered to be reliable, but Raymond James does not guarantee that the foregoing material is accurate or complete. Any information is not a complete summary or statement of all available data necessary for making an investment decision and does not constitute a recommendation. Raymond James Financial Services, Inc., its affiliates, officers, directors or branch offices may in the normal course of business have a position in any securities mentioned in this report. This information is not intended as a solicitation or an offer to buy or sell any security referred to herein.

The Dow Jones Industrial Average (DJIA), commonly known as "The Dow" is an index representing 30 stock of companies maintained and reviewed by the editors of the Wall Street Journal. The S&P 500 is an unmanaged index of 500 widely held stocks that is generally considered representative of the U.S. stock market. The NASDAQ Composite is a stock market index of the common stocks and similar securities listed on the NASDAQ stock market. Keep in mind that individuals cannot invest directly in any index. Individual investor's results will vary. Past performance does not guarantee future results. Investing involves risk and you may incur a profit or loss regardless of strategy selected. Prior to making an investment decision, please consult with your financial advisor about your individual situation.

To opt out of receiving future emails from us, please reply to this email with the word "Unsubscribe" in the subject line. The information contained within this commercial email has been obtained from sources considered reliable, but we do not guarantee the foregoing material is accurate or complete.

Everything here comes from the Wall Street Journal, Financial Times, New York Times, Bloomberg, Reuters, or BusinessWeek.

The yield curve is a graphic depiction of the relationship between the yield on bonds of the same credit quality but different maturities.

Investing in commodities is generally considered speculative because of the significant potential for investment loss. Their markets are likely to be volatile and there may be sharp price fluctuations even during periods when prices overall are rising.

There is no assurance any of the trends mentioned will continue or forecasts will occur. Forward looking data is subject to change at any time and there is no assurance that projections will be realized.

The companies engaged in the communications and technology industries are subject to fierce competition and their products and services may be subject to rapid obsolescence. Gold is subject to the special risks associated with investing in precious metals, including but not limited to: price may be subject to wide fluctuation; the market is relatively limited; the sources are concentrated in countries that have the potential for instability; and the market is unregulated. Be advised that investments in real estate and in REITs have various risks, including possible lack of liquidity and devaluation based on adverse economic and regulatory changes. Additionally, investments in REIT's will fluctuate with the value of the underlying properties, and the price at redemption may be more or less than the original price paid.

Diversification and asset allocation do not ensure a profit or protect against a loss.

Investing in oil involves special risks, including the potential adverse effects of state and federal regulation and may not be suitable for all investors.

International investing involves special risks, including currency fluctuations, differing financial accounting standards, and possible political and economic volatility.

FORMAN

INVESTMENT SERVICES

2635 Foxpointe Drive, Suite B
Columbus, IN 47203
812-378-0730

Our Indianapolis Area Office:
Hamilton Financial Group
23 South 8th Street, Suite 700
Noblesville, IN 46060
317-776-6999