

**THE COMMUNIQUE**

**December 2019**

MAJOR INDICES	CLOSE	MTD	QTD	YTD
S&P 500	3117.43	-0.75%	4.73%	24.36%
Dow Jones Industrials	27677.79	-1.33%	2.83%	18.65%
NASDAQ Composite	8570.70	-1.09%	7.14%	19.67%

U.S. TREASURIES	YIELD
5-yr Treasury Note	1.63%
10-yr Treasury Bond	1.81%
30-yr Treasury Bond	2.25%

Information as of December 5, 2019

Source: Thomson Reuter's Thomson One

**MARKET COMMENT**

**A Look Back**

I think most investors agree that 2019 was a strong year in the financial markets. U.S. equities (stocks) exceed long-term average returns, the bond markets joined in on a fair share of the rally, and precious metals registered positive returns. However, bringing up the rear, the energy sector was flat to down. What's perhaps the most impressive is that all this positivity happened amidst the U.S./China trade talks that transitioned, seemingly daily, from thumbs-up to thumbs-down, the slowing of European economies (Germany on brink of recession), and the difficult U.K. Brexit situation. Investors have clearly taken a "half glass full" attitude and continue to focus on the growing U.S. economy, historically low U.S. unemployment, declining interest rates, and strong consumer spending. All the while, they have ignored Washington D.C. antics. It reminds us of the old Wall Street aphorism, "the trend is your friend!"

At the current juncture, the stock market is somewhat overextended, so sideways movement or a routine pull-back (correction) should be expected. These normally occur on bad news (*i.e.* market noise) from Washington D.C., a Trump tweet, escalated Hong Kong protests, a jump in oil prices due to geopolitical events, or even more aggressive nationalism around the globe. But, if the Federal Reserve remains accommodative and keeps interest rates low, unemployment doesn't suddenly rise,

and corporate earnings continue to grow alongside our growing economy, then the “trend should remain our friend.”

As always, we at Gateway Investment Management would like to wish you a very Merry Christmas, warm Happy Holidays, and a blessed New Year.

**Christmas Carol by Sara Tisdale**

The kings they came from out the south,  
All dressed in ermine fine;  
They bore Him gold and chrysoprase,  
And gifts of precious wine.

The shepherds came from out the north,  
Their coats were brown and old;  
They brought Him little new-born lambs—  
They had not any gold.

The wise men came from out the east,  
And they were wrapped in white;  
The star that led them all the way  
Did glorify the night.

The angels came from heaven high,  
And they were clad with wings;  
And lo, they brought a joyful song  
The host of heaven sings.

The kings they knocked upon the door,  
The wise men entered in,  
The shepherds followed after them  
To hear the song begin.

The angels sang through all the night  
Until the rising sun,  
But little Jesus fell asleep  
Before the song was done.

## **PLANNING STRATEGY**

*Raymond James "Point of View" article. M19-2787593*

### **Trim Your Future Tax Bill by Thinking Ahead**

The tax code can be a labyrinth to navigate. Nevertheless, taking action now – while you, your financial advisor and accountant have time to think through the possibilities and maximize your 2019 tax savings

– could be more than worth the effort. Consider adding one or more of these four tax-mitigating moves to your capital gain/loss harvesting and year-end charitable giving.

### **Tip 1: Defer your year-end bonus or postpone income**

**Who can benefit?** Those who think they'll be in the same or lower tax bracket next year.

**What is it?** Save on this year's higher taxes by withholding your bonus or postponing income until next year when you may be in a lower tax bracket.

### **Tip 2: Accelerate deductions**

**Who can benefit?** Those who think they'll be in a lower tax bracket next year.

**What is it?** If you anticipate higher taxes this year, accelerate deductions (e.g., philanthropic donations, prepaid state income and property taxes) to get a larger percentage tax benefit. Bonus: Reducing this year's adjusted gross income also may keep you under the 3.8% Medicare surtax threshold.

### **Tip 3: Accelerate income and/or postpone deductions**

**Who can benefit?** Those who think they'll be in a higher tax bracket next year.

**What is it?** If you anticipate higher taxes next year, perhaps due to an increase in income, accelerating income and postponing deductions may help reduce your 2020 tax bill. Consider selling assets at a gain, billing in advance or deferring deductions until next year.

### **Tip 4: Be very generous**

**Who can benefit?** High-net-worth families who want to donate significant amounts.

Did you know you can use a credit card to make a charitable gift in December and you can still claim the deduction for 2019, even if you pay the bill in January 2020?

**What is it?** If you want to make a generous charitable gift, consider doing so before year-end or establishing a donor advised fund\*, which allows you to receive an immediate federal income tax deduction even if the funds will not be disbursed until later years. If tax rates do go down in 2020, you will receive a larger tax benefit from the deduction since tax rates could be higher this year.

If you won't have sufficient itemized deductions to exceed the increased standard deduction, you may wish to bunch deductions by making a large charitable gift, equal to the total donations you would have made over several future years. This could help you take advantage of the ability to itemize this year, while in other years you would take the standard deduction.

*Please note, changes in tax laws or regulations may occur at any time and could substantially impact your situation. While familiar with the tax provisions of the issues presented herein, Raymond James financial advisors are not qualified to render advice on tax or legal matters. You should discuss any tax or legal matters with the appropriate professional.*

*\* Donors are urged to consult their attorneys, accountants or tax advisors with respect to questions relating to the deductibility of various types of contributions to a donor advised fund for federal and state tax purposes. To learn more about the potential risks and benefits of donor advised funds, please contact Raymond James.*

## **LIFE & LEISURE**

Raymond James "Point of View" article. M19-2770381

### **Silencing Phone Scams**

Robocalls, the spammy, scam-ridden kind, have become a constant nuisance for most Americans who own a phone. By some estimates, billions of robocalls are placed in the U.S. every day. That's in part because they are lucrative for scheming criminals. Consumers lost **\$10.5 billion** to phone scams in 2018, according to blocking and tracking firm Truecaller.

Thankfully, the government is taking action to cut the lines on con artists. In June, the Federal Communications Commission ruled that phone companies can take aggressive action to block unwanted calls for their customers by default. And in July, the Stopping Bad Robocalls Act won approval in the House, building on the TRACED Act passed by the Senate in May. The national legislation would strengthen regulators' enforcement tools and require phone carriers to implement call identification technology. In the meantime, here are some apps and blocking tips that can help you keep robocalls from blowing up your phone.

#### **Get help from your phone carrier**

Major wireless and landline providers offer tools that either label or block suspicious robocalls, and some are free. Now that the FCC has given carriers free rein to block calls, these services may soon become an automatic, built-in feature. But until then, you can use tools available through your carrier to silence the spam.

#### **Manually block cell calls**

If you only want calls from people you know to ring through on your cellphone, the Do Not Disturb feature is your friend. On either an iPhone or an Android, turn on Do Not Disturb in settings and then select the option that only allows calls from your contacts. (Note that when a stranger you want to talk to calls, it will show up as a "missed call" and will not ring through.)

#### **Try a third-party blocking app**

If you go this route, be sure to download the app from the official Google Play or iOS App Store. Two of the most reputable are RoboKiller (\$1 a month) and Nomorobo (\$2 a month), which can help restore normalcy to your cellphone. Note that Nomorobo is free for customers of VoIP carriers, including AT&T U-verse, Verizon Fios, Comcast Xfinity and Cox. If you have an old landline on copper wire, there isn't a lot you can do except screen your calls.

#### **Next steps**

- Ask us about smart ways you can protect yourself from fraud in general.
- Check in with elderly loved ones who might be receiving a flood of scam calls.
- Consider adding safeguards like a trusted contact to help safeguard financial accounts.

Sources: Consumer Reports; Forbes; Wired magazine

**Quote of the Month:** "Games are won by players who focus on the playing field – not by those whose eyes are glued to the scoreboard." - Warren Buffett

For questions or additional information please contact:

Raymond James & Associates

9900 Clayton Road, Saint Louis, Missouri 63124

---



Jim Pohlman, CFP®  
Senior Vice President, Investments  
[James.Pohlman@raymondjames.com](mailto:James.Pohlman@raymondjames.com)  
T 314-214-2122



Hunter Martiniere, J.D.  
Financial Advisor  
[Hunter.Martiniere@raymondjames.com](mailto:Hunter.Martiniere@raymondjames.com)  
T 314-214-2152



Vickie Bollinger  
Senior Registered Sales Assistant  
[vickie.bollinger@raymondjames.com](mailto:vickie.bollinger@raymondjames.com)  
T 314-214-2175

Planning - <https://www.raymondjames.com/commentary-and-insights/tax-planning/2019/10/22/trim-your-future-tax-bill-by-thinking-ahead>

Life & Leisure - <https://www.raymondjames.com/commentary-and-insights/retirement-longevity/2019/10/18/silencing-phone-scams>

#### **Disclaimers & Disclosures**

Raymond James is not affiliated with and does not endorse the opinions or services of independent third parties named. The information contained in this report does not purport to be a complete description of the securities, markets, or developments referred to in this material. 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.

Views expressed in this newsletter are the current opinion of the author, but not necessarily those of Raymond James & Associates. The author's opinions are subject to change without notice. There is no assurance that the statements, opinions, or forecasts included in this material will prove to be correct. Information contained in this report was received from sources believed to be reliable, but accuracy is not guaranteed. Investing always involves risk and you may incur a profit or loss. No investment strategy can guarantee success. The S&P 500 is an unmanaged index of 500 widely held stocks. The Dow Jones Industrial Average is an unmanaged index of 30 widely held securities. The NASDAQ Composite Index is an unmanaged index of all stocks traded on the NASDAQ over-the-counter market. U.S. Treasury securities are guaranteed by the U.S. government and, if held to maturity, offer a fixed rate of return and guaranteed principal value.

Keep in mind that indexes are unmanaged and individuals cannot invest directly in any index. Index performance does not include transaction costs or other fees, which will affect the actual investment performance. Individual investor results will vary. Gross Domestic Product (GDP) is the annual market value of all goods and services produced domestically by the US. The Consumer Price Index (CPI) is a measure of the average change in consumer prices over time of goods and services purchased by households; it is determined monthly by the U.S. Bureau of Labor Statistics.

Certified Financial Planner Board of Standards Inc. owns the certification marks CFP®, CERTIFIED FINANCIAL PLANNER™ and federally registered CFP (with flame logo) in the U.S., which it awards to individuals who successfully complete CFP Board's initial and ongoing certification requirements.

Changes in tax laws may occur at any time and could have a substantial impact upon each person's situation. While we are familiar with the tax provisions of the issues presented herein, as Financial Advisors of Raymond James & Associates we are not qualified to render advice on tax or legal matters.

Past performance may not be indicative of future results.

Some material was prepared by Raymond James for use by James Pohlman, Senior Vice President, Investments, of Raymond James & Associates, Member New York Stock Exchange/SIPC.

Links are being provided for information purposes only. Raymond James is not affiliated with and does not endorse, authorize or sponsor any of the listed websites or their respective sponsors. Raymond James is not responsible for the content of any website or the collection or use of information regarding any website's users and / or members.

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.