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**January 28, 2019**

*"Vision without action is merely a dream. Action without vision just passes the time. Vision with action can change the world."* (Joel A. Barker, author)

**Tax Season:** Is right around the corner. Following is a list of estimated mailing dates for various tax reporting documents that you may receive from RBC Wealth Management.

<b>Tax Reporting Document</b>	<b>Estimated Mailing Date</b>
1099-R	January 31, 2019
Fair Market Value Statements	January 31, 2019
1099 Tax Information Summary	February 15, 2019
Income Summary (FYI Statement)	February 28, 2019
REMIC Tax Information Summary	March 15, 2019
1042-S	March 15, 2019
Revised 1099 Tax Information Summary (tax year 2018 – revision 1)	On or about March 16, 2019
Revised 1099 Tax Information Summary (tax year 2018 – revision 2)	On or about April 5, 2019
5498	May 31, 2019
Revised 1099 Tax Information Summary (tax years 2015 – 2018)	May 2019

**Retirement – Wealth Plan Analysis:** Are you ready for retirement? Are you on track to achieve your retirement goals? Let us help you with our Wealth Plan Analysis based on your current situation and future expectations for a healthy retirement. Please click on the 4-page questionnaire that is attached to the current e-mail, answer the questions as best you can, and send it back. Send it back securely since it will have personal information. We will then follow up with you.

**My Website:** [www.davidjklein.com](http://www.davidjklein.com): “Global Insight: 2019 Outlook” is on the front page of the website. This is RBC Wealth Management’s outlook for the New Year.

**Key Statistics** Year-to-date a/o 1/25/2019

Dow:	+6.04%
S&P 500:	+6.30%
Nasdaq:	+7.98%

--Best start to the year since 1987

--Nice start compared to the results from this past December

**Treasury Bond Yields:** Year- to-date a/o 1/25/2019

1-year Treasury:	2.60%
2-year Treasury:	2.60% - Yes, same as the 1-year
5-year Treasury:	2.59% - Less than the 2-year
10-year Treasury:	2.76% - Only .16 above the 2-year
30-year Treasury:	3.06%

**Markets:** (Barron’s, IBD, WSJ, RBC, MFS, Reuters, Advisor Perspectives)

- For the week: Dow rose +0.12%, S&P 500 fell (-0.22%), Nasdaq rose +0.11%
- As mentioned above, best start to the year since 1987
- Global equities also rebounded from December 2018 lows
- Oil held steady at \$53.25/barrel
- Volatility, as measured by the VIX, was unchanged at 18

**US Market as measured by the S&P 500 is outpacing other major Indices**

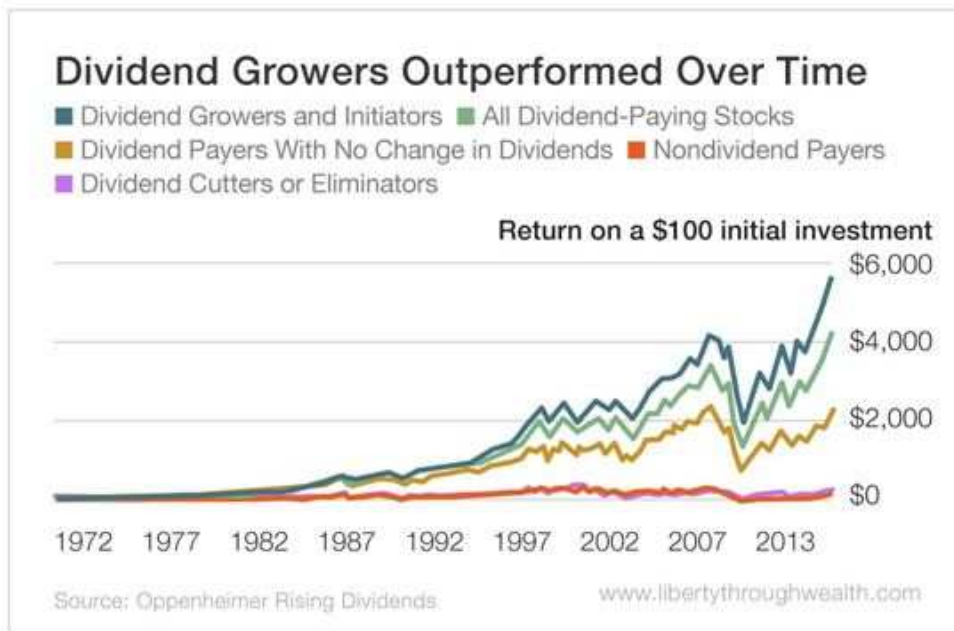
One cannot invest directly in an index. (see chart next page)

**The U.S. is far outpacing other major indexes**  
 Index performance since the low on Dec. 24, 2018



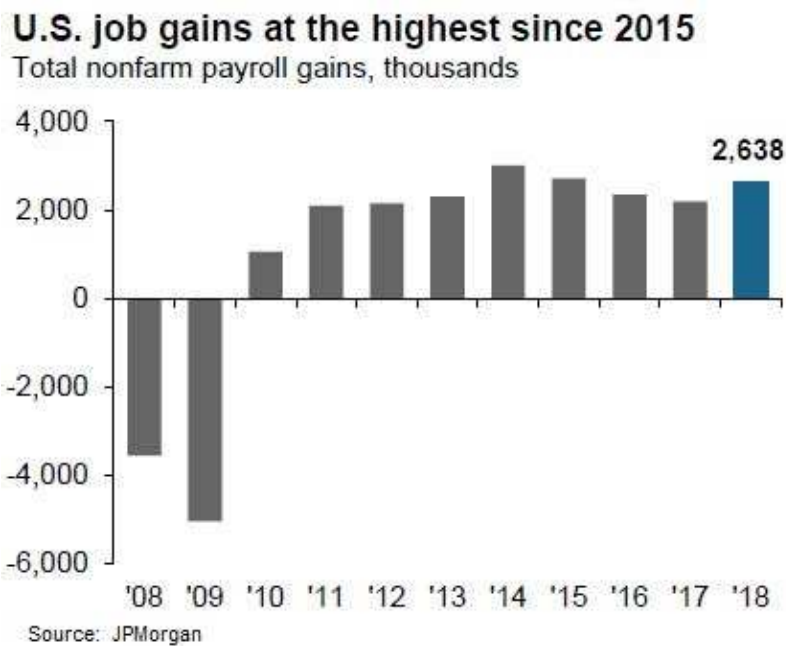
Source – RBC Wealth Management, Bloomberg

**Dividend-Paying Stocks:** We have long been supporters of investing in quality, dividend-paying stocks and those stocks that have grown their dividends over the years. Over time, these are the stocks that tend to outperform. Past performance does not guarantee future results.



**Economic News:** (Barron's, IBD, WSJ, RBC, MFS, Reuters, Advisor Perspectives)

- Labor market remains robust
- Weekly jobless claims fell to 199,000 this week – fewest since November, 1969
- Since 1969, labor force has more than doubled
- Blended earnings of S&P 500 companies so far showing 11% growth of Q4, 2018 over prior year Q4, 2017
- Some see potential for earnings downgrades due to slower growth projections
- Job growth still solid



- ECB (European Central Bank) sees low risk of recession – their growth has slowed
- Germany lowered its growth rate to just 1% partially because of Brexit concerns and downturn in global growth
- China's economy slowed to 6.4% in Q4, 2018

**Question of the Week:** Jerome Powell is Chairman of the Federal Reserve. How many other board members are there?

**Question and Answer From 2 Weeks Ago:** What is meant by the “January effect” as it relates to the stock market?

**Answer:** Because of tax loss selling at the end of the prior year, money becomes available to reinvest back into the market. As money comes back to buy into the market there has historically been an upward bounce in the month of January.

## **Did You Know:**

- More than 1,000 adults were surveyed this past December regarding the *honesty and ethical standards of members of Congress*. 58% of those surveyed ranked them as “low” or “very low” while only 8% ranked them as “high” or “very high”. (BTN Research, Gallup)
- 5% of the 150.3 million tax returns filed for tax year 2016 reported AGI (adjusted gross income) of *at least \$200,000* and *paid 58% of all federal income tax*. (BTN Research, IRS)

**Sports Trivia:** Super Bowl 53 will be played next Sunday, February 3<sup>rd</sup> in Atlanta. *No team in NFL history* has ever played in the Super Bowl *on their home field*. Next year’s game will be played in Miami. (BTN Research, NFL)

**Referrals:** Many sincere thanks for your referrals of family, friends, and associates. I am deeply appreciative.

Sincerely,

***David J. Klein***

Senior Vice-President – Financial Advisor

[www.davidjklein.com](http://www.davidjklein.com)

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The Dow Jones Industrial Average covers 30 blue chip U.S. companies selected by the editors of the Wall Street Journal. The Dow represents about 25% of the NYSE market capitalization and less than 2% of NYSE issues.

The Nasdaq Composite is a market-value weighted index that measures all NASDAQ domestic and foreign common stocks. The Standard and Poor’s 500 is an unmanaged, capitalization weighted benchmark that tracks broad-based changes in the U.S. stock market.

This index of 500 common stocks is comprised of 400 industrial, 20 transportation, 40 utility, and 40 financial companies representing major U.S. industry sectors. The index is calculated on a total return basis with dividends reinvested and is not available for direct investment.

This material is based on data obtained from sources considered to be reliable. However, it is not guaranteed to accuracy and does not purport to be complete. The illustrations are for informational use only.

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