

Special Update

May 2019



Investments in securities do not offer a fix rate of return. Principal yield and/or share price will fluctuate with changes in market conditions and, when sold or rendered, you may receive more or less than originally invested. No system of financial planning strategy can guarantee future results. Investors cannot directly invest in indices. Past performance does not guarantee future results.

ROCKPORT
WEALTH ADVISORS

WWW.ROCKPORTWEALTH.COM
PHONE: 216-226-4560

In our last special update at the end of April, we mentioned that the issues that were starting to bother the market were going to be around for a while. This is turning out to be the case. The trade war with China has gone from a “deal will get done mentality” to a much more unpredictable situation which will take more time to resolve.

Hence markets reacted swiftly in May to the mostly negative news. The S&P 500 declined by approximately 6.5% for the month. It is important to note that this index is still up 9.8% year to date. As we had eluded to in previous letters, things had gotten very far ahead of themselves and the markets were priced for perfection. When perfection does not happen, you get the type reactions we have had.

So, where do we go from here? Until a more positive tone can be struck around the trade deal and an eventual resolution to the situation which we think will happen eventually, things are likely to remain unsettled.

One additional topic pulling at the markets that has not grabbed as much headline to due to the China Trade war is the situation in Europe. In short, Europe is a mess. The Brexit situation in the UK has become a complete debacle and other countries in the region are wrestling with the same issues. This definitely adds a sense of uncertainty to the global markets and economies.

Then add on top of this the continuing weakening of the U.S. Economic data and there is certainly no shortage of things to be concerned about. It is important to note that although the economic data is weakening the numbers are still not recessionary, but the trend is not favorable at the present time.

**Don't check your account
balances daily and your
blood pressure once per year!
Constant updates make
investing more emotional
than it needs to be.**

As we had previously stated we had made a move in our models to get more defensive at the end of January. At the present time we still do not see enough evidence to become more defensive yet but the data points we look at are not trending in a good direction, so we will need to keep close eye on things moving forward. The year is not half over yet and if it ended right now it would still be a very nice year from the investment return perspective. The Summer months which historically can be very quiet may not be this time around.

It is important to not let the trend and headlines of the moment get in the way of longer term strategies. As with most unpleasant situations this too shall pass given time. We need to stay focused on the bigger picture and adjust accordingly.

If you have any questions or comments, or are just feeling a little unsettled please feel free to contact us.

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

Fairview Park Location

22730 Fairview Center Dr., #150
Fairview Park, OH 44126

Lakewood Location

14650 Detroit Avenue, #120
Lakewood, OH 44107

Rockport Wealth Advisors

Joe Kovach, CFP®, AIF®

Ted Calabrese CLU®, AIF®

Adam Stalnaker, AIF®

Investment Advisor Representative

*Registered Representative *

ROCKPORT
WEALTH ADVISORS

"Securities and advisory services offered through Cetera Advisors LLC, member FINRA/SIPC, a broker/dealer and a Registered Investment Adviser. Cetera is under separate ownership from any other entity."