

October 8, 2019

## Monthly Market Review

Provided by Kistler-Tiffany Advisors

It was a “good” jobs number, but apparently not “too good” of a number for stock market watchers. A “good” number suggests the USA is not sliding towards a recession, while a “too good” number might result in the Federal Reserve deciding that another interest rate cut is not needed at their next scheduled meeting. On Friday (10/04/19) the government reported US employers hired a net 136,000 new employees in September 2019, the nation’s 108<sup>th</sup> consecutive month of positive jobs gains, but below the nation’s average of 161,000 hires per month this year. The reaction from stock market traders – another rate cut is still in the cards. The Fed next meets in 3 weeks (source: Department of Labor).

Domestic stocks rallied on last week’s jobs report, leaving the S&P 500 up +19.6% YTD (total return). However, the majority of the gain for the stock index was achieved during the first 4 months of the year – through 4/30/19, the S&P 500 index had gained +18.3%. Since the end of April, stocks (using the S&P 500) have gained just +1.1% while bonds (using the Barclays Aggregate Bond Index) have gained +6.2% (source: BTN Research).

The national debt as of 9/30/19 (i.e., the end of fiscal year 2019) was \$22.7 trillion, up \$1.2 trillion in the last 12 months, up \$4.9 trillion in the last 5 years, and up \$10.8 trillion in the last 10 years (source: Treasury Department).

### Notable Numbers for the Month:

1. **IS THAT ENOUGH?** - 58% of 1,015 Americans surveyed in August 2019 believe that a retiree who has accumulated \$1 million in pre-tax investment accounts will be able to enjoy a “comfortable” lifestyle in retirement (source: TD Ameritrade).
2. **HEALTH INSURANCE** - The average annual cost for health insurance coverage for a family plan in 2019 is \$20,576, with the employer paying 71% of the total (\$14,561) and the employee paying 29% (\$6,015). Ten years ago (2009), the average cost was \$13,375 and the employer/employee split was 74/26 (source: Kaiser Family Foundation).
3. **ALL IN THE FAMILY** - One **political party** has controlled the **White House**, the **Senate** and the **House of Representatives** in 22 of the last 60 years, i.e., 1960-2019. **Republicans** last controlled the White House, the Senate and the House in 2018. **Democrats** last controlled all 3 in 2010 (source: BTN Research).
4. **WAY OFF** - In **January 2009**, the Congressional Budget Office released a **10-year forecast** for our nation’s national debt. The **debt projection** made in 2009 for the end of fiscal year 2019 (i.e., 9/30/19) was **\$15.973 trillion**. Our actual national debt as of 9/30/19 was **\$22.719 trillion** (source: The Budget and Economic Outlook from the Congressional Budget Office).

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