Investment Market Update

The U.S. equity market demonstrated considerable strength during the third quarter with the S&P 500 Index rising 7.2%. The market was strong despite the threat of an escalating trade war, increased emerging market volatility and rising U.S. interest rates. The initial effects of the increased tariffs on trade will be felt during this fourth quarter, but the recent USMCA (United States-Mexico-Canada Agreement), which replaces NAFTA, has helped market sentiment. The China tariffs are the bigger challenge and will take longer to resolve. In the age of just-in-time production, new tariffs will slow and change the global supply chain for production of manufactured goods. Tariffs will also raise prices on raw materials and finished goods and cause higher inflation.

Index	Third Quarter September 30, 2018	Year-to-Date
S&P 500 Index	7.2%	9.0%
S&P Mid-Cap 400 Index	3.3%	10.4%
MSCI All World Cap Index	3.8%	2.2%

The Federal Reserve's September interest rate increase was expected and has affected the emerging markets particularly negatively. Many emerging market countries borrowed money over the past 10 years in U.S. dollars, but have found that the U.S. interest rate increases have caused their currencies to devalue and their borrowing expenses to rise significantly. This will be felt over the next few years as their debts mature, forcing repayment or restructuring and creating financial instability. The Federal Reserve is likely to continue raising rates if the U.S. economy remains strong, but the U.S. Treasury yield curve remains flatter, which is a warning sign of a slowing economy. The Fed is expected to raise rates another 0.25% in December since the economy should continue its strong expansion.

During the quarter, the leading S&P 500 sectors were information technology, industrials and healthcare, while underperforming sectors were utilities, energy and materials. The recent price increase in crude oil to $75 per barrel, due to the Iranian export sanctions and the expectation for higher winter demand, is most likely temporary. Prices should remain in the $60-$75 range, which should keep retail gasoline prices below $3 per gallon. International markets are mostly negative this year as financial budget stresses and trade concerns have moderated expectations for growth.

While the U.S. market looks relatively overvalued on a comparative basis, the country's economic fundamentals are much stronger, the regulatory environment is less restrictive and capital investment is more active. Corporate earnings should continue to accelerate 15-20% year over year and wages are increasing, which should sustain healthy U.S. mid-cycle growth.

Best,

Michael Aloian

Michael Aloian - ***President, Trust & Investment Management Services, Chief Investment Officer***

941-475-6771

ENGLEWOOD BANK & TRUST

Investments are not a deposit, not FDIC insured, not insured by any federal government agency, not bank guaranteed and may lose value.

Robocalls may cost you more than your time

We have all received annoying robocalls, phone calls using a computerized autodialer to deliver pre-recorded messages. NBC News reported that some 30.5 billion robocalls were made in 2017, more than 100 calls per person in the United States.

Fifty to sixty percent of the calls were legal, such as legitimate debt collection robocalls, political and charity robocalls, as well as flight delays and prescription refill reminders. But billions of calls were illegal.

Robocalls remain the top consumer complaint at both the Federal Communications Commission (FCC) and the Federal Trade Commission (FTC), with the FTC receiving 4.5 million robocall complaints in 2017.

It’s easy for scammers to steal your money or information through robocalls. The crooks use VoIP (voice over internet) technology so calls can be automated to span the globe from anywhere. Thieves can change the number you see to make it appear to be someone else or a reputable business like the bank. This helps them hide from the law and ensure we will answer the call.

Scam robocalls promise to lower the interest rate on your credit cards or your car insurance payments, install a fee home-security system, offer you a free cruise, tell you you won a major prize or received a government grant, or tell you your computer is infected with a virus. The robocaller may pretend to be an IRS agent claiming you owe money or a banker claiming your debit card has been placed on hold.

To collect on the offer, win the prize, or avoid fees and penalties, you’ll need to provide personal information, which will be used against you.

What can you do? Follow these simple steps

- Put your landline and cell numbers on the do-not-call list, which helps with some of the non-criminal calls, but not the scammers. You can register your home or mobile phone for free by calling 1-888-382-1222 or go to www.donotcall.gov.
- Check the features on your phone to see what options you have to block certain numbers. On the iPhone, all you have to do is go to the recent call and hit the little i with a circle around it to the right, scroll all the way to the bottom of the next screen and block the caller.
- Hang up or don’t answer in the first place.
- Don’t call back at the suspicious number; this invites more calls. If you think a call might be legit, always call using a number that you have on file or searched, not the one given in the call. Another way to know if it may be a scammer is to google the number to see if other people may have been scammed.

For additional information on blocking calls, visit the FTC website at https://www.consumer.ftc.gov and click on the “Privacy, Identity & Online Security” heading at the top of the page.

Taking charge of your calls can be empowering. If you know someone who doesn’t know what to do about these calls and may fall prey to unscrupulous scammers, help them take action. Your time and attention will be worth the effort and could protect them from losing their life savings.

ENGLEWOOD BANK & TRUST
www.englewoodbankandtrust.com

A Team You Can Trust

Brittney Seymour
Michael Aloian
Cindee Murphy
Jeffrey Bryen
Terri Griffith
Lory Weisensee
Angie Misner
Kerry Hunter
Patrice White

Main Office

1111 South McCall Road
Englewood, FL 34223
941-475-6771

Rotonda/Cape Haze Office

8725 Placida Road, #10
Placida, FL 33946
941-698-0044

Boca Grande Office

301 Park Avenue
Boca Grande, FL 33921
941-964-9096

Gulf Cove Office

12651 South McCall Road
Port Charlotte, FL 33981
941-697-5011

Venice Loan & Trust Office

341 W. Miami Avenue
Venice, FL 34285
941-473-3629