

# Leigh Baldwin & Co.

## *Investment Brokerage*

As parents we say ‘make good choices’ and hope for the best. During this peculiar election season, we are faced with choices that just don’t feel good for many of us. But choices do matter, and the recent decision by the Fed to keep rates at virtually zero contradicts in two ways. One, are economic conditions so bad that we need to maintain a crisis level of near zero interest rates? Or two, has the tripling of government debt to the tune of several trillion dollars painted the Fed into a no-win corner that locks interest rates into a manipulated low level for the years to come? Like the election upon us, important choices are complicated and have many possible unintended consequences.

Stocks for the first three quarters of 2016 are now positive by about 4-5% Coupled with positive performance from the fixed income sector and 2016 has been solid so far, falling in line with the historic positive returns seen in an election year. Money continues to flow to dividend paying blue chip stocks and also into high yielding corporate fixed income. Obviously, the Fed has been very accommodative to both stocks and bonds, and we are now in year eight of this gift.

What does the future hold for investors? Technology led the way during the third quarter and probably will lead us through the end of the year. While stocks appear to be fully valued, we believe corporate earnings should be sound this quarter, without huge disappointments to the downside. While there may be an interest rate hike in December (finally), we believe that a hike might be positive to the overall markets. Although food products are in a deflationary mode, commodities in general seem to be holding their own, particularly crude oil, which is trading in a range of \$45-\$50 per barrel, with no signs of a swoon like seen over the past two years.

Investors are urged to monitor and review their investment holdings with their advisor so that they have a comfort level with their risk and income needs for the years to come. Choices made today that are run through the prism of the recent past combined with the opportunities of the future can have a lasting effect on an investment portfolio. We look forward to meeting with and working with you as we navigate the financial landscape The choice is yours.

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