



## **GOODBYE 2017, HELLO 2018**

I hope this 2018 newsletter is finding everyone feeling optimistic about the new year ahead. As a member of the **AARP** group, the holidays carry a different meaning to me. While many households were tracking Santa Claus on their GPS, I found myself opening my heart and mind to new opportunities for the upcoming year. Often, we give gifts as a secondary substitute for long-term gestures of kindness, words of appreciation and gratitude.

On behalf of the VZD Capital Management's family, please know that your continued patronage and support matters to me. Without you, I would not have the opportunity to pursue my incredible passion of providing customized investment management services to a select group of investors who believe in high standards of ethics, transparency, and professional attention.

As we welcome the new year, many investors are feeling uncertain about market performance in 2018. This time last year, there were numerous market predictions ranging from a robust bull market to a recessionary season for 2017.

Fortunately, most of the predictions turned out to be pathetically wrong. Instead, by all measures, 2017 was a stellar year for the stock market. The S&P gained 19%, the Dow Jones Industrial Average increased 25%, and the tech-heavy NASDAQ jumped 28%.

In the opening week of 2018, the market delivered the best out-of-the-gate performance in 50 years. As we fully embrace the new year, investors are cautiously optimistic that stocks will continue their hot streak for 2018. The market gained momentum by the prospect of significant tax cuts by the Republican-led Congress and President Donald Trump. If the numbers are correct, the reduction will save corporate America billions – but what about the average consumer? If you invest in the stock market, the corporate earnings could continue to spark the stock market to new heights.

According to Goldman Sachs, S&P 500 companies hold \$920 billion in untaxed overseas cash, and it estimates that \$250 billion of that would be repatriated. The majority of this money belongs to big names companies like Cisco, Apple, GE, Qualcomm, Amgen and Oracle. In addition to this, the torch is being passed from Baby Boomers to the Millennials. This brings a new mindset and a change to how modern consumers interact with the economy across technological, social and political realms. If it were not for Millennials, Amazon might not have become one of the biggest retailers in the world. Amazon is changing the infrastructure of consumer discretionary spending, and the best is yet to come.

Going into the tenth year of a bull market is certainly not without a high level of risk. However, sitting on the sidelines with your cash hidden under the mattress does not help with the threat of inflationary cost. This is where a Registered Investment Advisor can help create a customized roadmap to help you navigate through uncertain times and unforeseen circumstances.

Developments in emerging markets, cryptocurrencies, and the legalization of Marijuana are driving renewed interest in the stock market from people who want to jump on the bandwagon to "easy" money, despite having no knowledge or experience investing. Everyone from 65-year-olds to 15-year-old high school students are getting in on one of America's newest financial crazes.

*VZD Capital Management, LLC* is eager to serve new clients and referrals who would enjoy working with a veteran investment advisor who doesn't believe in employing a "cookie cutter" model, and instead designs portfolios based on each client's unique circumstances. I want to close this newsletter by thanking all

of you for your continued readership and support. We had another great year and I look forward to the best that is yet to be! Continued success and blessings!

With Gratitude,

Ethel J Davis and Associates