

RAYMOND JAMES®

November 9, 2016

And the winner is...

So now we know. After a seemingly unending election cycle, we have a new president and some new faces in Congress. But the question remains, what could that mean for investors and the markets? Historical data doesn't offer much guidance. We can look for patterns, but the data can be sliced and diced in a myriad ways. What we do know is that the markets don't like uncertainty. Global markets have experienced losses overnight in response to the unexpected results and U.S. stock markets are poised to open lower this morning. Generally, it is difficult to find meaningful correlations between parties in power and stock market performance over time, but it is possible that we could see some additional volatility in the coming days.

Here's where we stand now that the election is over:

Economy

- The U.S. economy appears poised for continued moderate growth.
- Consumer balance sheets are strong. Inflation and interest rates are on a gradual upward path.
- The federal debt is now equal to about 80% of the gross domestic product (GDP), which means the federal government has promised far more than it can pay.

Energy Markets

- This election is a non-event for global oil market fundamentals. There will be some oil-related regulatory decisions with local impact – for example, pipeline permits and offshore drilling approvals – but in general, what happens in Washington is irrelevant for oil supply, demand and therefore prices.

Bottom line

- Investors should adhere to a disciplined, balanced approach in order to participate in any upside, while feeling confident that their diversified portfolio can weather any potential downside.

- The election results do not justify drastic action for long-term investors. Our economy is on a steady path to growth and remains one of the most dynamic in the world.
- Short-term volatility could be a buying opportunity for investors poised to buy fundamentally sound companies at a potential discount.
- As always, we caution investors to separate emotion from their financial decisions.

An election of this magnitude certainly warranted your attention. It was probably hard to ignore. But, it's important to remember that even major elections don't often influence the markets – one way or the other – over the long term. Time should prove that disciplined investors who stay the course are likely to be the real winners.

Of course, we'll keep our eyes open for legislative changes or economic shifts that could affect your financial plan. In the meantime, we encourage you to review your portfolio in light of your goals or any major life changes, not the current resident of the White House.

While I don't expect the election results to change our long-term plans, we will continue to monitor the markets and are always ready to discuss any concerns or questions you may have.

As we approach Thanksgiving, I find myself thankful to work with clients like you. Should you have questions about your long-term financial plan, please reach out to me. I look forward to speaking with you.

Also, our offices will be closed Thursday, November 24, for Thanksgiving. We hope you and your family have a chance to spend the holiday together.

Sincerely,



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