



Warren Financial
Investing for a Greater Purpose

Jan 9, 2017

Weekly Worries and Opportunities Report

Economic & Market Commentary by Randy Warren, Chief Investment Officer

Randy Warren

is Chief Investment Officer of Warren Financial, an investment management firm catering to self-made individuals, dual-income families and family-owned businesses headquartered in Exton, PA with offices in New York, Hilton Head, and Atlanta. The firm also has an institutional division that specializes in volatility products and hedge strategies.

What to Watch for (Catalysts):

1. **WORRY** that the Trump agenda will languish in Congress, even though Republicans control both houses. If the major tenants of Trumps agenda don't pass quickly, the market will need to retreat from recent gains.
2. **WORRY** that the Trump agenda will work for America which will continue to strengthen the US dollar. A stronger dollar will hurt our big international exporters such as Boeing, Apple, and others, while also hurting Emerging markets around the globe which peg their currencies against the dollar.
3. **WORRY** that the unemployment rate is dropping so low that wages will increase and spark inflation. Honestly, this is not a big worry, but it's out there. The employment report on Friday Jan 6th showed significant wage pressures building.

The Key: Our Macro-VIX Indicator continues at 0 indicating nothing on the near term horizon to fear.

Buy:

Warren Financial the obvious companies that will benefit from the Trump agenda, specifically, banking, insurance, industrials. Also watch closely the Repeal-and-Replace of Obamacare as this will have a major impact on big pharma and biotech. Another major agenda items is trade – so watch closely for impact on companies like Apple and Starbux that sell a lot of products in China. Also repatriation of profits for big companies (again, like Apple) that may be allowed to bring home \$billions in profits back to the USA.

Disclosures: Warren Financial has long positions in some of the stocks mentioned in this article both for our clients and our own portfolios. We may be starting new long positions in some of these companies in the future. The fact that a company is mentioned is not a recommendation or offer to buy or sell that stock or bond. Investors should always seek advice from an advisor that knows their particular financial situation and not assume that general information such as the information in this article will always apply directly to their portfolio. Investing includes the risk of loss. For more information on how to protect your investments from volatility, visit www.WarrenFinancial.com and make sure to investigate our volatility strategies.

Drivers in the Market

- Trump. President elect Trump will continue to have a driving force effect on stock and bond markets both here in the US and beyond based on his agenda, and his daily tweets.
- Jan 9 Monday before the open, we will be watching earnings on Global Payments GPN (expected \$0.80) and Acuity Brands (\$2.06)
- Jan 12 Thursday before the open we will be watching earnings for Delta Airlines (\$0.80)
- Jan 13 Friday before the open we will be watching earnings for Bank of America BAC (\$0.38), JP Morgan (\$1.43), PNC Financial (\$1.85), and Wells Fargo (\$1.01)
- Friday Jan 13th the government will release the Producer Price Index numbers at 8:30am
- This week there will be several Fed governors speaking. But we don't see the Fed as a major driver at the moment. The market continues to be priced-in the idea of growth based on the Trump agenda and higher rates as the Fed continues to raise Interest rates throughout 2017 (at least twice)

