



# 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 as the Inauguration approaches, and the reality (as opposed to the promise) of a Trump presidency looms, markets will begin to take a wait-and-see, or show-me approach to his policy agenda items. Doubt will be cast on the Trump team's ability to accomplish all the tenants of their plan. So, the very thing that sparked the recent rally will come into question and the market will wonder if it has overshot.
2. **WORRY** that the even if the Trump agenda works, and US economic output picks-up, there will be larger pull-backs in the market that naturally accompany larger upturns. In a word, there will be more volatility.
3. **WORRY** that 10yr gov interest rates have dipped in the past week signaling that the recent rally is now in question.

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

## Buy:

We continue to be bullish and think that the current pullback over the past few sessions in financial stocks offers a top notch opportunity to buy-in as rates will continue their climb throughout 2017.

*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](http://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.
- There is a reasonable slate of economic numbers due out this week including lots of Fed speakers, CPI, Industrial Production, Housing Starts, Jobless claims, and Oil Rig counts; however, none of these should surprise the markets.
- Jan 17 Tuesday, Morgan Stanley before the open (\$0.66) and CSX after the close (\$0.49)
- Jan 18 Wednesday before the open, TD Ameritrade (\$0.41), Goldman Sachs (\$4.76), Fastenal (\$.38), Citigroup (\$1.12). After the close Netflix (\$.13).
- Thursday after the close IBM (\$4.91)
- Friday Jan 20<sup>th</sup> before the open GE (\$.46), Kansas City Southern KSU (\$1.19), Regions Financial RF (\$.22), Rockwell Collins COL (\$1.15), and Schlumberger SLB (\$.27)

