

# Investment Market Update



The volatile equity markets continued dramatic price swings while bond yields moved lower in the fourth quarter. The potential for a trade war with China and higher interest rates has investors concerned that economic growth will be constricted. With U.S. annual inflation dormant at 2.2%, reduced home sales for the past nine months, decelerating automobile sales, declining commodity prices and slowing GDP growth, the concern is the Federal Reserve has already raised rates too quickly. There is a six- to nine-month lag time between the Federal Reserve's action of raising rates and the effect it has on the economy. This is a period when uncertainty about corporate earnings, consumer and corporate debt levels and U.S. dollar strength causes instability. As investors in leveraged hedge funds, lower credit quality bonds and those trading on margin unwind their positions, the market has tested bear market territory, defined as losing 20% from its previous peak. The Federal Reserve recently calmed the market with some signals that they are going to be patient and gradual in any further rate hikes.

The China trade and tariff issue remains in the spotlight with many negotiating points taking significant time to resolve. The Trump administration is well-aware of the U.S.-China co-dependency, but is leveraging economic power to resolve the significant trade issues. The President is using his unorthodox style to demolish the old conventional geopolitical structures in defense,

immigration and trade to build a shiny new America-centric world. The administration will most likely soon declare its trade achievements with China as a victory, which will be positive for the markets.

The S&P 500 declined 20% in the quarter from its record high, which reflects the global pessimistic news about Brexit, U.S. budget issues, a China economic slowdown and European economic stagnation. Bond yields, which were rising in the third quarter, reversed and fell dramatically with 10-year U.S. Treasury bonds

trading at 2.68% at year-end. Every sector of the equity market has corrected with energy, materials, industrials and financials oversold and reflecting significant valuation discounts. U.S. economic growth, and even corporate earnings growth, will decelerate, but recession is not

imminent. Corporate earnings should grow at 5-8% while the U.S. economy should have steady growth at around 2%. Apple already admitted slower revenue growth – mostly in China – which has provided an exceptional buying opportunity since the stock now trades at a incredibly-low 12x Price to Earnings multiple. The overall equity market is trading at 14x Price to Earnings and looks oversold, so it should rebound in 2019.

Best,

**Michael Aloian** - President, Trust & Investment Management Services, Chief Investment Officer

941-624-5400



*Investments are not a deposit, not FDIC insured, not insured by any federal government agency, not bank guaranteed and may lose value.*

## Meet Cindee Murphy – Trust Officer, and so much more

If you hyphenated Cindee Murphy's various vocations and experiences over the years, the result would look something like this: Farm girl – foreign exchange student – world traveler – estate planning and elder law attorney – award-winning business owner – bank vice president and trust officer – and last, but certainly not least in Cindee's eyes, grandmother.

Cindee lists her hobbies as “hanging with grandkids, baking with grandkids, cooking with grandkids, playing with grandkids, traveling with grandkids.”

“We love to travel, and in recent years have always had one or more grandchild in tow,” she says.

“We are lucky to have all eight of our grandchildren living close by. I'm their biggest fan, attending all their sporting events, school plays, awards ceremonies, etc.”

As Vice President and Trust Officer with Charlotte State Bank & Trust and Englewood Bank & Trust, Cindee administers accounts and represents the banks as an estate's personal representative, and/or trustee or guardian of property. She works with new and existing clients to serve as a point of contact and ensure that trust documents and investment management accounts are properly administered with the goal that her clients' wishes are carried out.

Cindee is experienced in all aspects of estate planning. As an attorney/director with The Farr Law Firm for 20 years, she specialized in Estate Planning, Probate, Trust Administration, Elder Law and Guardianship. She created estate plans and drafted wills, living trusts, powers of attorney and health care directives.

Cindee's education and experience includes:

- Bachelor of Science degree in Public Relations with a minor in Marketing from the University of Florida
- Juris Doctorate from the University of Florida
- Graduate and Class President, Leadership Charlotte, class of 1992

After growing up in small farming communities in Nebraska and Iowa, Cindee spent her junior year of high school as a foreign exchange student in Sweden, where she developed a love for travel and a passion for adventure. She attended the University of Nebraska for two years before transferring to the University of Florida, where she graduated with honors while earning a bachelor's degree in Public Relations with a Marketing Minor.

She went on to attend the University of Florida College of Law, where she received her Juris Doctorate degree in 1990. She is still an active member of the Florida Bar.

Prior to joining Charlotte State Bank & Trust, Cindee followed a lifelong dream of starting her own business. She and her husband, Dennis, opened Pies & Plates in Punta Gorda, then grew the business into one of the area's most popular eateries and retail stores. Pies & Plates was named Business of the Year by both the Charlotte County and Punta Gorda Chambers of Commerce and Retailer of the Year for Leadership by the Florida Retail Federation.

Dennis Murphy, former Growth Management Director for the City of Punta Gorda, “is now only semi-retired,” Cindee says, since he works almost full time as a sports official for football, baseball and softball.

Cindee is inspired by her own mom, Darlene McBride, who also lives nearby and even in her 80s still attends as many of her great-grandkids' events as she can. The kids are Leah, Trinity, Emily, Cody, Colton, Melanie, Layla, and Landy.

Cindee may be contacted at 941-624-1952 or by email at [cmurphy@csbtf.com](mailto:cmurphy@csbtf.com).



## Bank Donates to Tidewell Hospice

Nancy Vollmer (center, in glasses), Volunteer Coordinator at Tidewell Hospice, recently accepted a check for \$400 at the Murdock office of Charlotte State Bank & Trust. All bank offices participated in raising the money through the “Casual for a Cause” program, with employees at all six offices making donations for the privilege of wearing jeans on Friday. Presenting the check were members of the bank's Trust and Investment Management Services team (from left, Greg Thomas, Christine Hause, Angie Misner, Lory Weisensee, Brittney Seymour, Patrice White and Cindee Murphy), along with Senior Credit Officer Maryann Mize, CCIM.

**Charlotte Harbor Office**  
23112 Harborview Road

**Murdock Office**  
1100 Tamiami Trail

**North Port Office**  
4300 Aidan Lane

**Parkside Office**  
3002 Tamiami Trail

**Peachland Office**  
24163 Peachland Boulevard

**Punta Gorda Office**  
2331 Tamiami Trail

**941-624-5400**

## A Team You Can Trust



Angie Misner   Brittney Seymour   Rich Emch   Cindee Murphy  
Lory Weisensee   Mari Joyce   Susan Getson   Patrice White  
Greg Thomas   Michael Aloian   Christine Hause   Samuel Kiburz

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