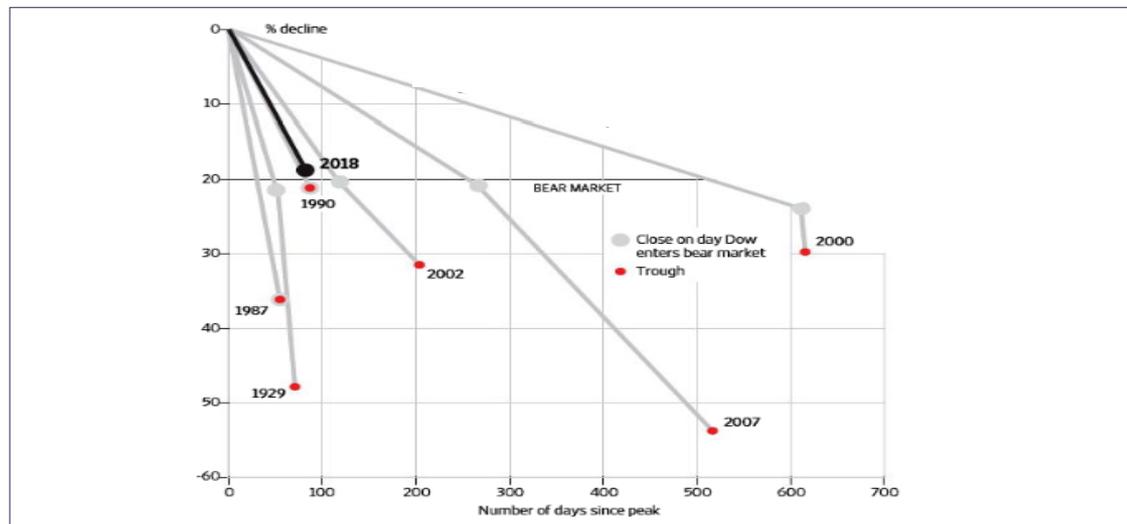


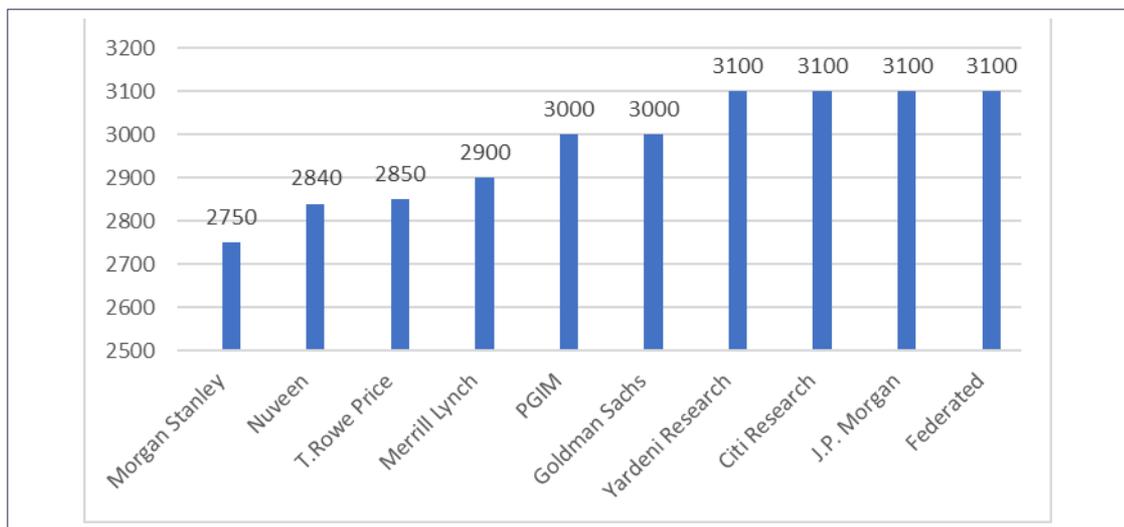
# Market Recap

## Market Sell-off



Source: WSJ

## 2019 Year-end S&P 500 Targets



Source: Barron's

The recent market slide brought U.S. stocks to their lowest level in more than a year and perilously close to 'bear market' territory (traditionally viewed as a 20% decline). The fact that stocks staged a recovery just above the bear threshold is not viewed as a coincidence in that most market practitioners do not believe that the current environment warrants a bear market. The current sell-off has been among the most rapid in the modern era. The plunge appears to be brought on by concerns with the prospects of global economic growth with the world's economic markets peaking. Many also believe that the heightened pace of decline is a byproduct of the momentum created by computerized trading.

As is typically the case, market strategists see stocks going higher next year. The current consensus of Wall Street firms has the S&P 500 advancing 18% with the average price target at 2974. That would be the highest year-end price target increase since 2009, when the average strategist expected an 18% gain. Over the past 50 years, stocks were positive 72% of the time, so calling for higher prices is the rational default setting especially when considering the power of career risk. It also makes sense to stay close to the herd. If you miss a bear market, well, it helps when everyone else did as well. An evaluation of historical annual price targets finds that out of the 153 price targets, only six called for lower prices. The average forecast was a 9% gain which, not surprisingly, is right around the historical average annual return.

# Market Recap

## IRAs Required Minimum Distributions

To calculate RMDs, use the following formula for each account:

**Account Balance**  
as of December 31 last year\*

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**Life Expectancy Factor**  
see the Uniform Lifetime  
Table\*\* below to find the factor  
using the age you turn this year

=

**Your RMD**

=

**Example**  
\$100,000.00  
Account Balance  
as of December 31 last year\*

÷

**25.6**  
Divisor  
IRA owner turned 72 this year

=

**\$3,906.25**

Age	Life Expectancy Factor												
70	27.4	75	22.9	80	18.7	85	14.8	90	11.4	95	8.6		
71	26.5	76	22.0	81	17.9	86	14.1	91	10.8	96	8.1		
72	25.6	77	21.2	82	17.1	87	13.4	92	10.2	97	7.6		
73	24.7	78	20.3	83	16.3	88	12.7	93	9.6	98	7.1		
74	23.8	79	19.5	84	15.5	89	12.0	94	9.1	99	6.7		

Source: Internal Revenue Service

With the year coming to its end, IRA holders should take note that the deadline for taking RMDs (Required Minimum Distribution) is December 31. RMDs are applicable to holders 70½ years old and above. Those with IRAs may delay taking their first RMD (and only the first year) until April 1 of the year after you turn 70½. Those who choose to delay their first RMD would need to take their first and second RMD in the same tax year which could push them into a higher tax bracket. The IRS taxes RMDs as ordinary income. The penalty for not taking a RMD is quite punitive (50% of the amount not taken on time). The RMD is calculate by dividing the IRA balance as of December 31 of last year by the Life Expectancy Factor that corresponds to the holder's age.

## Top 25 Worst Passwords for 2018

Rank	
1.	123456
2.	password
3.	123456789
4.	12345678
5.	12345
6.	111111
7.	1234567
8.	sunshine
9.	qwerty
10.	iloveyou
11.	princess
12.	admin
13.	welcome
14.	666666
15.	abc123
16.	football
17.	123123
18.	monkey
19.	654321
20.	!@#\$\$%^&*
21.	charlie
22.	aa123456
23.	donald
24.	password1
25.	qwerty123

Source: SplashData

According to a study by SplashData of more than 5 million passwords leaked on the internet during the course of 2018, quite a few people are still using some very easy to guess (and hack). Almost 10 percent of people used at least one of the 25 worst passwords on their annual list. Nearly three percent are still using “123456,” the worst password. Hackers have also had great success using celebrity names, terms from pop culture and sports, and simple keyboard patterns. President Donald Trump debuted on this year’s list with “donald” showing up as the 23rd most frequently used password. So, to avoid having hackers figure out your password, you might want to put a little more effort into it.

**Contact:** If you have any questions or comments, please do not hesitate to contact us at 703.992.6164. For more information about Harbour Capital Advisors, please visit our website at [www.harbourcapitaladvisors.com](http://www.harbourcapitaladvisors.com).

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