

# MARKET COMMENTARY & OUTLOOK

McMahon Financial Advisors LLC

January 2017

We are cautiously optimistic when looking forward over the next 12 months. Although we have seen some reasons to be concerned, we still look for continued expansion in the US economy.

We think we will see a continued period of elevated volatility in spite of the corporate earnings environment which has been supportive of current price levels. The tumultuous

when factoring in those who have left the job search market). CEO confidence is also rising, and both the manufacturing and non-manufacturing indices rose.

Of course many things could derail this momentum. Interest rates increases seem to be priced into the market, but many other possible pitfalls lie ahead. The new administration will have to work diligently to avoid

derail the momentum that we are currently experiencing.

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political year seems, for the moment, to be behind us. The business friendly administration indicates a push to higher levels in the equity market. Promises of lower corporate and personal long term tax rates are a key reason we believe the markets will respond positively through the balance of 2017. In addition consumer confidence has been bolstered by strong labor market data. The jobless claims remain low (even

scandal, as well as geopolitical strife which we see as having potentially enormous negative consequence. We have observed that overall market consensus has pegged US growth to be between 1.5-2 percent in 2017, which is certainly possible given the significant issues facing the new administration. In spite of the growing debt we feel that higher interest rates and global uncertainty will not be enough to completely



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