



Basis Points – November 5, 2019

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Above the Fold

All Good in the Neighborhood

So much of our current and continued economic health is ironically dependent on a universal belief by the majority that things are not only good (enough) now but will remain that way for a period of time. Although projection horizons vary, it's logical to assume that investors will stay positive if they feel there's enough time for prosperity to grow at the consumer and corporate levels beyond where it is today, and that the expansion will reach the bottom lines of a large number of companies. It goes without saying that major risks and potential black swan events should be mitigated, and the chances of a full-blown recession should be "less than likely."

It's no secret that words like "recession" and "late-cycle" are being thrown around more often, but investors aren't pushing stocks to record highs because most accept we are on the precipice of doom. Friday's strong employment data showed a gain of 128,000 jobs in October despite a massive GM strike of 50,000 workers, added proof that our economy remains resilient. And as the earnings picture becomes clearer, 75% of S&P 500 companies have reported a better "earnings beat," in line with the strong results observed over the last 12 quarters, according to Zacks Investment Research.

The bottom line is that the U.S. economy is still moving the ball forward, and domestic risks seem to be acceptable. Let's hope sentiment remains strong into the critical holiday season.

Three Things

1. *Under Armour Lowering Its Shield* – The athletic clothing giant is being examined by several federal agencies, both civilly and criminally, with regard to its accounting practices. Agencies are specifically targeting how the sportswear maker recorded and reported revenue over the last few years. According to the Wall Street Journal, Under Armour is cooperating with investigators.
2. *Google (Alphabet) Upping Its Wearables Game Big Time* – Fitbit Inc. has agreed to be acquired by Google for roughly \$2.1 billion in a move that puts Google firmly in the running to capture a portion of the growing, but tricky global wearables market. Parent company Alphabet hopes to spend just a small part of its \$121 billion cash war chest to expand the reach of Fitbit's products and improve on the technology.
3. *Apple's New Pro AirPods Are Impressive, but Are Still Easy to Lose* – Apple's new \$250 AirPods seem to be a hit with users. The latest device, which comes at a \$100 premium to the standard AirPods, now comes equipped with active noise cancelling, more durable construction and improved audio quality. Unfortunately, the higher price also means you're likely to be even more frustrated when you lose one or both of the earpieces.

Did You Know?

Ready for Retirement?

Depending on your age, retirement can range from a far-off concept to a reality that's just around the corner. Unfortunately, most Americans simply aren't prepared to leave their jobs and sail off into retirement at age 65. A 2018 study by the [Stanford Center on Longevity](#) found that most simply aren't prepared to retire and maintain their standard of living. Many will have to make dramatic lifestyle cutbacks just to survive. Nearly 40% of Americans surveyed by Pew also believe they are "not too" or "not at all" confident that they will have enough income and assets for their retirement, up from 25% in 2009.

That same [Pew Study](#) found that nearly two-thirds of workers surveyed said they were likely to work past age 65.

And while it might not seem so bad driving an Uber or helping out at Lowe's to help fund your retirement years, it's best to seek the help of a professional and do what you can to enjoy your lifestyle well beyond age 65 and help make your money work for you.

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