September, 2016

Dear Valued Investor:

As expected, the Federal Reserve's (Fed) policymaking arm, the Federal Open Market Committee (FOMC), opted not to raise interest rates at the conclusion of its two-day policy meeting on Wednesday, September 21.

The FOMC did upgrade its assessment of the economy from its July statement, and noted that the case for an increase in the fed funds rate had strengthened. But it decided to wait for evidence of further progress toward its objectives. The FOMC statement said the Committee would continue to monitor global economic and financial developments. Fed Chair Janet Yellen and the FOMC statement noted that future rate hikes are dependent on the economy, labor market, and inflation tracking toward the FOMC's forecasts.

The Fed dropped a strong hint to the markets that it is leaning toward raising rates in December. The FOMC's language suggests to us that barring a very bad run of economic data between now and December, a surprise out of the U.S. presidential election or Brexit negotiations, an unexpected move from China, or a terrorist attack that disrupts economic activity for a long period of time, the Fed is likely to raise rates at the December FOMC meeting. One rate hike is not expected to cause a big disruption in financial markets, especially given yesterday's signal from the Fed; however, a pickup in volatility would not be surprising following several months of steady and solid gains for stocks.

These are unusual times with unconventional monetary policy. As always, I am here to help you understand the complex investing environment and will continue to keep you informed of relevant developments. If you have any questions, I encourage you to contact me.

Thank you for your continued trust and confidence.

Sincerely,

Rick Fisher, CFP®

The Federal Open Market Committee (FOMC) is the branch of the Federal Reserve Board that determines the direction of monetary policy. The eleven-person FOMC is composed of the seven-member board of governors, and the five Federal Reserve Bank presidents. The president of the Federal Reserve Bank of New York serves continuously, while the presidents of the other regional Federal Reserve Banks rotate their service in one-year terms.