

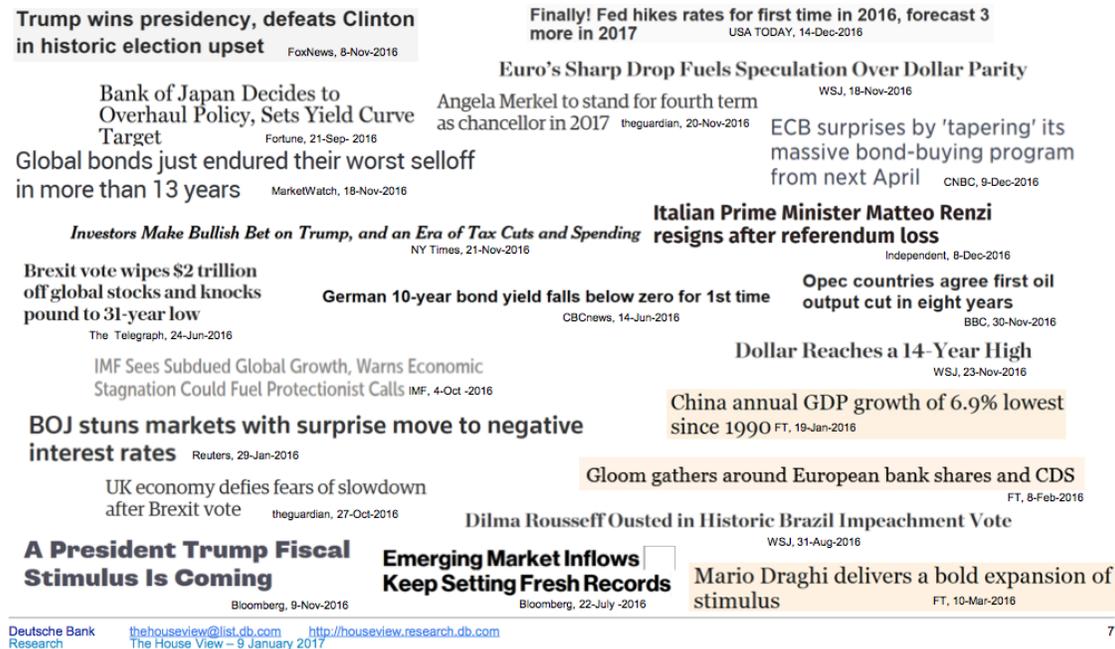


January 15, 2017



What a year, on so many different levels...

2016 in headlines



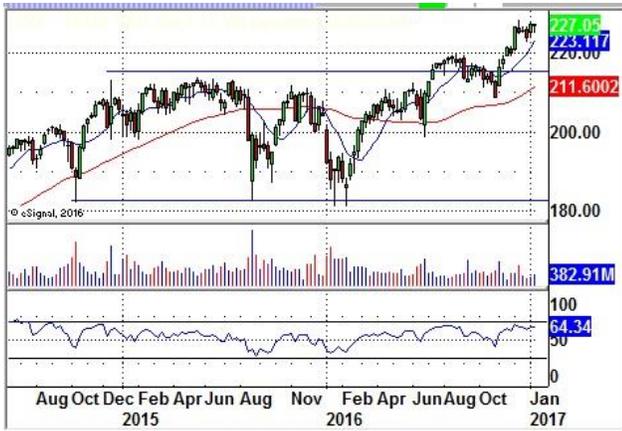
(graphic courtesy of Deutsche Bank and ritholtz.com)

The Year in Review- Yes, Brexit and Trump and the long bond finally moving all happened, confounding pundits, traditionalists, and folks in the investment management world world-wide. I shared the view of many money managers that Mr. T was too much of a wild card to be elected President, and of course we were all wrong. Many (again including me) predicted a steep drop in the market if Trump got elected, and for a few hours on the night of November 8th it happened. Futures were down 800 points as the election result became clearer overnight, but big inflows of capital reversed the losses and facilitated what has since been called “The Trump Rally.”

What a rally it has been for the broader market, but especially for smaller capitalization stocks, financials, cyclical industrials, Dow stocks, and select transports. The market has moved towards our positions on multiple fronts, and our positioning (underweight bonds, buyers of the breakout, value orientation, broad US exposure, willing to own select financials) has held us in good stead. Let’s see what happens with earnings season and the Inauguration on the horizon.

And with that I retire from the political prediction game.

Support and Resistance-



Here are weekly (l) and daily (r) charts of the S&P 500. The weekly chart shows the continued breakout above the previous trading range (horizontal blue lines) after the weak start to 2016. On the daily chart, the rally since Nov. 8 is much more pronounced.



The charts above show the price of the long Treasury bond ETF on a weekly (l) and monthly (r) closing basis. The top price for this bond was realized when the Brexit vote happened in June, and you can also see the selloff in bonds after the election. This security is also testing its long-term uptrend as you can see as a diagonal blue line on the right chart.

Virginian-Pilot COAST Interview- Michelle Wagner of the Virginian-Pilot COAST Magazine recently interviewed me for an article on “Optimizing Your Year”. The article is in the January-February 2017 issue. Here’s the link- http://coastobx.com/stories-and-news/features/optimize-your-year-outer-banks-professionals-offer-tips-for-starting/article_98a1d3fe-d4a5-5023-ab40-ddc4357c9409.html

Will Woodard, CFP® is president of Dare Capital Management in Nags Head and specializes in retirement planning. His number one tip for the new year is to get organized. “Savvy consumers will be prepared and ready to act quickly on new laws.”

2518 S. Croatan Hwy, Suite E P.O. Box 1806

Nags Head, NC 27959 (252) 480-0156 www.darecapital.com

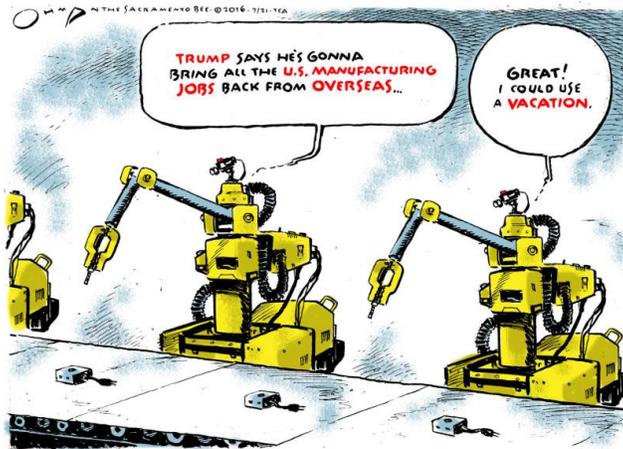
Woodard also recommends that people always pay themselves first. “Contributions to 401(k) and traditional IRA accounts lower a taxpayer’s taxable income,” Woodard points out. “Self-employed business owners can deduct qualified business expenses including contributions to SEP IRA and one-owner 401(k) retirement accounts.”

It is important to be aware of changing economic conditions, he adds, citing that interest rates have been extremely low for the past several years but have risen a fair bit since the November election. “Rising interest rates will affect a broad range of financial products, from savings account and home mortgage rates to the performance of certain classes of stocks and bonds.”

Woodard added that uncertainty is part of the investing puzzle, and investors frequently pay an outsized price for certainty. “By the time the coast is clear on an issue, it’s entirely possible that a lot of the investment opportunity related to that issue has already been realized.”

Game Plan- The market has been about as strong as I can remember since the election. Fourth quarter earnings started this past Friday with several large banks reporting, and we’ll be in earnings season for the next six weeks. Additionally, the Presidential inauguration is this coming Friday January 20th, so there’s a lot of potential market moving events on tap.

There has been an unleashing of animal spirits in the market since November, maybe due to the perception that tax cuts for small businesses and middle class taxpayers will be stimulative to the economy. Trump has made some Cabinet picks that the market likes, including Wilbur Ross at Commerce and Steven Mnuchin at Treasury. Other Trump nominees including Jeff Sessions as Attorney General are more controversial. Buckle your seat belts and get ready for 2017-



Signing off from Nags Head,

Will W. Woodard, III, CFP®

2518 S. Croatan Hwy, Suite E P.O. Box 1806

Nags Head, NC 27959 (252) 480-0156 www.darecapital.com

Please note that the above commentary is presented for informational purposes only.

Dare Capital Management is a registered investment advisor in North Carolina providing ongoing investment management and related planning to individuals, families, businesses, trusts, and estates. Find out more about the firm at <http://darecapital.com>

2518 S. Croatan Hwy, Suite E P.O. Box 1806

Nags Head, NC 27959 (252) 480-0156 www.darecapital.com