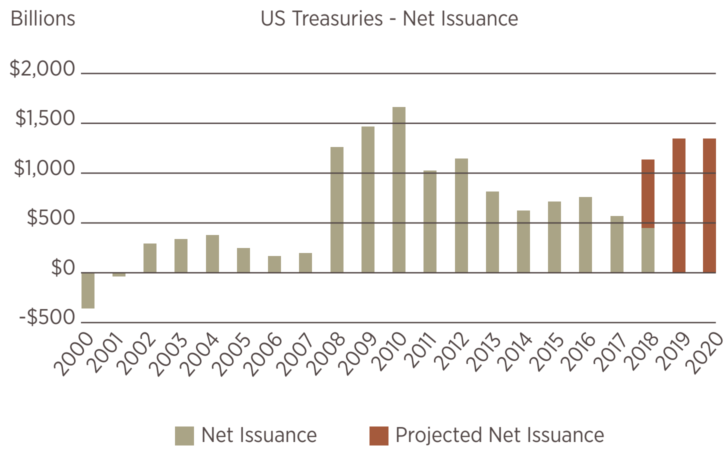
6 Meridian

Viewpoint / May

Chart of the Month

Contrary to what you might be thinking after having just written checks to the US Treasury, the US government doesn't take in enough revenue each year to cover its costs. The gap between what it brings in via taxes and other revenue sources is filled by borrowings. Each year the US government has to issue enough Treasury securities to cover the current year borrowing needs and to refinance debt that is maturing. As the chart shows, this issuance exploded after the Great Financial Crisis due to large deficits the government ran in '08-'10. As the economy improved, the issuance declined. Now, however, we are on the verge of a huge increase that looks to continue into the foreseeable future. This increase is the result of a large projected rise in the deficit, primarily due to the new tax law. It is very unusual to see a developed economy increase borrowings at these levels during a time of growth.



Sources: SIFMA, US Treasury, Goldman Sachs Research

The Advisor Survey:

Thomas H. Kirk III, Senior Managing Director, Wealth Advisor

This treasury chart should touch us personally regarding our own life and cost of living. Unlike the government, we cannot print more money to support our lifestyle. This is why working with a financial group such as 6 Meridian is important. We work with you to understand your needs today and in the future. No one likes to run low on wealth as they reach retirement. Planning for this time of life is a marathon not a sprint. Having a helping hand will guide you through volatile times and keep you from making mistakes that can cause you permanent loss of capital. You create the wealth and we grow and preserve it for the future.

Source: FactSet 2018

		April	YTD	2017	Benchmark
Stocks	United States	0.4%	-0.4%	21.8%	S&P 500
	Intl Developed	2.6%	0.9%	25.6%	MSCI EAFE
	Emerging Markets	-0.3%	1.0%	37.8%	MSCI Emerging Markets
Bonds	US Investment Grade	-0.7%	-2.2%	3.5%	Barclays US Aggregate
	Intl Investment Grade	-2.3%	1.3%	10.5%	Barclays Global Aggregate xUSD
	Global High Yield	-0.2%	-0.6%	10.4%	Barclays Global High Yield
	Emerging Markets $	-1.0%	-2.5%	8.2%	Barclays Emerging Markets USD Aggregate
Other	Commodities	2.6%	2.2%	1.7%	Bloomberg Commodity
	Gold	-0.8%	1.0%	13.2%	Gold New York Spot ($/oz)
	Oil	5.6%	13.3%	12.5%	Crude Oil WTI/Global Spot NYMEX

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