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Third Quarter 2019 Update and Commentary

Generating safe, solid client returns is our goal at Eliot Finkel Investment Counsel. The following table of annual returns shows the superior results we achieved using patient, value-oriented investing to avoid overheated markets like those of 2000 and 2007. *

	Mar 2000 to date	Sep 2007 to date
EF Invest	8%	7%
S&P 500	4%	6%

The American economy continues to expand, though at a reduced pace. Interest rates, inflation and unemployment remain very low. Given these facts, a recession (two consecutive quarters of negative economic growth) is not imminent.

The economic uncertainty caused by tariff and trade disputes with China and others is hurting business investment and impacting consumer confidence. The 2017 tax cuts for firms and the wealthy have created \$1 trillion deficits but not increased growth. Until the government increases investment in infrastructure (roads, bridges, airports, etc.) and workforce training we are destined for continued slow growth.

Though stock prices are above historical norms, these prices are supported by low interest rates, which increase the value of future earnings, and continued growth in consumer spending. As long as our economy continues growing and the companies in our portfolios remain healthy, which they are, we will stay the course. Successful investing requires patience and a long-term horizon.

Forty-five years of experience and in-house research help us select established companies with excellent prospects paying substantial dividends. Focusing on economics and company fundamentals has generated superior long-term results for our clients. This, plus the personal service we provide, explain why our average client has been with us over 13 years. For more information please call 310-271-2521 or visit our website at efinvest.com. Thank you for your interest.

* Past performance is no guarantee of future results and does not preclude the possibility of loss.