

LPL Financial Research Publishes Investment Midyear Outlook 2018

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LPL Research Expects U.S. Economic Growth To Pick Up in Pace in 2018

CHARLOTTE, N.C., July 11, 2018 (GLOBE NEWSWIRE) -- Leading retail investment advisory firm and independent broker/dealer [LPL Financial](#) LLC, a wholly owned subsidiary of LPL Financial Holdings Inc. (NASDAQ:LPLA), today announced its research publication, "Midyear Outlook 2018: The Plot Thickens," is available for [download](#). The report contains investment insights and market guidance covering the rest of the year.

LPL Research believes the following three themes will be key to the markets over the balance of 2018:

- **Fiscal policy remains key to growth.** Tax cuts, a more business-friendly regulatory environment and increased government spending could likely support consumer spending, business investment and corporate profits—key drivers of LPL Research's economic and stock forecasts.
- **Looking at market peaks in context.** LPL Research believes we are starting to see peaks in several economic and market indicators, but given our current environment, that doesn't mean a recession is necessarily around the corner.
- **Creating opportunity amid rising volatility.** LPL Research expects greater market volatility may be ahead, but reminds investors that experiencing these ups and downs is a normal part of our market environment. Instead of fearing it, there is the potential to create opportunities by embracing it and strategizing accordingly.

The midyear report maintains confidence in the existing forecasts reported in "Outlook 2018," with some minor adjustments:

- **Economy: GDP growth up to 3%.** Early this year, LPL Research slightly upgraded the gross domestic product (GDP) forecast, as tax cuts could likely improve personal and business spending. LPL Research expects the combination of tax cuts, a new government spending package and financial deregulation to support continued growth.
- **Stocks: 10%+ total returns.** Strong earnings are still expected to remain the key driver of stock market gains, thanks to the benefits of the new tax law. Although volatility is expected to increase, in the context of steady economic growth and strong corporate profits, LPL Research sees the potential for further stock gains in the second half of 2018.
- **Bonds: Flat to low-single-digits.** Accelerating global growth and rising interest rates continue to pressure bonds. The midyear report maintains the forecast of flat to low-single-digit returns for the Bloomberg Barclays U.S. Aggregate Bond Index, but notes that high-quality bonds may provide diversification benefits for investors' portfolios.

"Given that we are in the later stages of this economic cycle, with factors such as increased trade tensions and geopolitical uncertainty at play, we do expect greater volatility may be ahead. But it's important to remember that experiencing these ups and downs is a normal aspect of our market environment," said LPL Financial Executive Vice President and Chief Investment Strategist John Lynch. "Overall, we continue to see the potential for economic and market growth in 2018 and beyond. The LPL Research 'Midyear Outlook 2018' is here to provide the insightful commentary to help navigate the remainder of the year."

About LPL Financial

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*Based on total revenues, *Financial Planning* magazine June 1996-2018

Important Disclosures

Please see the Midyear *Outlook 2018: The Plot Thickens* for additional description and disclosure.

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There is no guarantee that a diversified portfolio will enhance overall returns or outperform a non-diversified portfolio.

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Media Contacts:

LPL Research: Christine Cannon
631-776-0247
ccannon@markettalknow.com

Lauren Hoyt-Williams
980-321-1232
Lauren.Hoyt-Williams@lpl.com

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