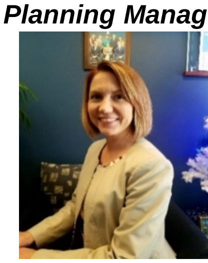
Foresight
Capital Management Advisors, Inc.

Newsletter 1Q 2018 and Market Summary

FCMA's Model Mutual Fund Portfolios are handling the volatility by staying ahead of the market with results, net of fees, for 2018 as follows:
Conservative Model -.49%, Moderate Model +.14%, and Aggressive Model +.62%! The market is negative YTD -1.22% through March 31, 2018. Economic indicators are still strong and unemployment has maintained its lowest since pre-2008, at 4.1% as of March 31, 2018 with GDP estimated to near 3% for 2018. Please check out our upcoming FinTech conference and if interested register at Saline Community Education or attend via GoToMeeting, but registration is necessary for either attendance.

Welcome to our newest employees at Foresight

Stacey Gore-EMU
Para Planning Manager



Patrick Carney-UofM
Financial Analyst

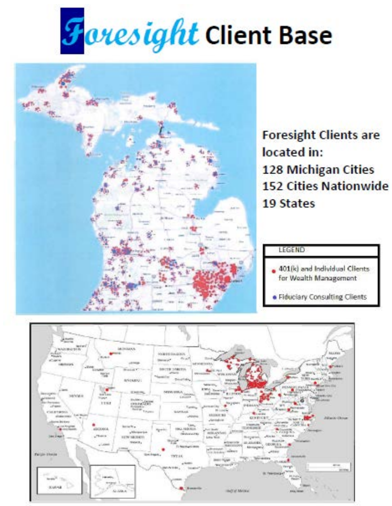
Robert Genereaux-SHS
Financial Co-op Intern

Attend Foresight's 2018 FinTech Upcoming Conference! **Interested in learning about the latest innovations in FinTech (Financial Technologies)? This conference includes algorithmic trading concepts, robo advising, cryptocurrencies, blockchain technology investing, and tools to help keep investment portfolios healthy, Please join us on either Thursday May 3, 2018 at 7:00 pm, or Tuesday June 5th, 2018 at 7:00 pm, or Wednesday August 1, 2018 at 7:00 pm. You can register at Saline Community Education Center at salineonline.org or call 734-401-4020 and the cost is $20 per person or $30 per couple, or contact us at Consultant@fcmadvisors.net if interested in attending via GoToMeeting for one of the conference evenings. Call 877-429-4690 if you have any questions.**

A New White Paper by Foresight **Titled Retirement Plan Costs Beware! A Mutual Fund Share Class Study-and Why the Cheapest Fund Class May Not be the Best! This assists trustees of retirement plans and helps them to understand the complex pricing of the mutual funds. Contact us if you would like a copy emailed to you.**

2018 New Savings Limits Announced **The US Government has announced several savings limit increases for 2018. 401(k) savings limit raises to $18,500, and if age 50+ rises to $24,500. IRAs remain the same at $5,550 and 50+ $6,500. HSAs savings raise to $3,450 for Individual and $6,900 for a family in 2018, both up from 2017 ($3,400 Individual and $6,750 for family). Also, Social Security to raise 2% in 2018, the largest raise since 2012. See our website www.fcmadvisors.net for more details on the savings limits for 2018.**

HSAs at Foresight **We now offer Health Savings Accounts which can be invested in our Model Portfolio strategies of Aggressive, Moderate, and Conservative. The HSA savings is a triple win for the consumer because you get to save in the HSA and get a tax deduction, then it grows tax deferred, and when you use the HSA for medical expenses it is tax free! There are also optional debit cards with our HSA program. Please call if you are interested in further details 734-429-4680.**



FCMA Model Returns
Mar 31, 2018

Conservative Model	-	.49%
Moderate Model	+	.14%
Aggressive Model	+	.62%
Indexes:		
S&P 500 Index	-	1.22%
MSCI EAFE Foreign	-	2.37%
10Yr T-Bond Index	+	.34%

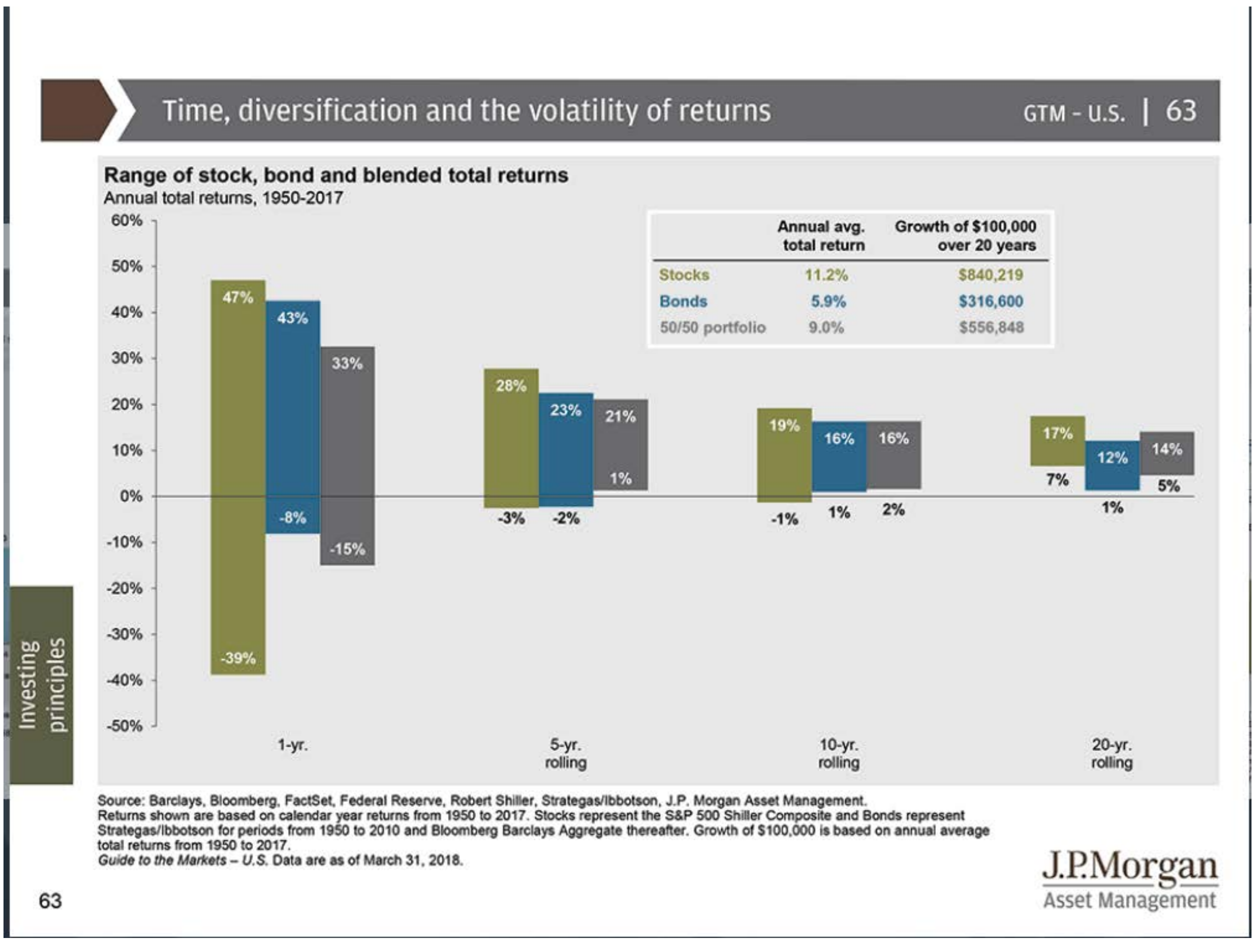
Future performance is not guaranteed; above returns are 2pt actual averages

Foresight's Outlook and Portfolio Strategies

Volatility has returned to the aged-bull market with two back to back negative corrections in the 1Q of 2018. Although the February correction was due to market interest rates rising in the 10-year bond abnormally and the March correction due to news on tariff talks, trade wars, and interest rates increasing, we believe the overall market and economy are resilient and will recover quickly. Just get ready for a rougher climb upward. All indicators

point towards 2018 earnings to be better than 2017. The markets biggest challenge is political risk and even if the antics continue in Washington we believe it will not likely spin our economy into a recession. There will continue to be increased volatility, but it is believed the recession is another 6-8 years into the future. Warren Buffett said in an interview with CNBC Jan 10, 2018, "The USA tax reform is major because it has made stocks worth more since corporate rates were 35% now 21% so there is a 14% increase in worth. Additionally, Jeremy Siegel said in an interview on CNBC 2/21/2018 the new normal is PE ratios of 20 so if the forward earnings estimate of S&P 500 companies averages 150 the S&P Index should be near 3000 by yearend! That would mean an additional increase of about 350 points on the S&P Index. S&P 500 companies expect 2018 to have better corporate earnings and higher stock prices. Most are questioning if the growth is real and can it continue? The best news is nothing is really overheated in the global economy that could cause the next crash so it is likely to continue moving into the next generational bull market. Generational bull market means 20+ more years of growth with mild recessions along the way. According to Dr. David Kelly of JP Morgan April 3, 2018, he states that 2018 does look decent for the market despite the recent volatility. He believes there is a headwind coming for the infrastructure program in the USA because there is likely to be a worker shortage in the US beginning in 2019 and 2020.

Jay Powell, the new Federal Reserve Chairman, took office in Feb 2018 and intends to raise short interest rates 3-4 times in 2018, continue to buy back bonds, retire bonds, and foreign investors will begin selling USA bonds in lieu of buying foreign bonds paying higher interest rates. All this will help to raise short and long-term interest rates which the USA needs to do. If this all goes to plan then our next "mild" recession is way off into the future, 6-8 years, which could make this the longest bull market in history! Whenever interest rates rise it does cause the bond market to get more volatile and lose value. Foresight has been careful to hold bonds with good yields near par, and to keep the majority of fixed income in floating and convertible interest-bearing bonds. It is key to stay diversified during any market cycle. The table below shows that the longer you are diversified by 20 years rolling the averages of the lowest returns for stock, bond, and diversified portfolios are all positive. Diversification is key to weathering volatility!



Our economy, in the USA, is propelled by people not the government. Therefore, the health of our economy is being fueled by the companies and people running them. There are many analysts that believe we could be heading into the longest bull market in history! Time will tell, but there are some key factors supporting this theory. Given the USA is growing at a slower rate of +2%, the millennial population is the largest workforce at 86 million, unemployment is at 4.1% with mild wage inflation, interest rates are just beginning to rise, and inflation is nil. All these are supporting indicators that our bull market could continue for quite some time.

Foresight continues to monitor the geo-political situations and continues to be positive on the market. We have moved all our portfolios into their normal risk allocations and maintained the increased foreign holdings for 2018. The mutual fund portfolios will increase weightings in foreign holdings, small caps, and midcaps. We continue to monitor the stock portfolios weekly and have stop losses on most double digit gains within the stock portfolios. The overall belief is to be globally invested in stocks and less fixed income currently. 2018 consensus earnings are forecasted higher than 2017, which means stock prices are likely to increase decently and the market is showing no signs of a recession. If the market has another pullback in 2018 this will not concern us as we believe the economy is healthy and it will recover quickly. Please contact us if you have any questions about your portfolios.

Foresight Planning Ideas

IRS Contribution Limits for 2017 and 2018: ***401(k) and 403(b) savings limits for 2017 are $18,000 deferral max and for 50+ $24,000 deferral, and IRA limits $5,500 and if age 50+ $6,500. 401(k) and 403(b) savings limits are rising for 2018 to $18,500 deferral max and for 50+ $24,500 deferral, and IRA limits $5,500 and if age 50+ $6,500 for both years.***

Expect a Raise in Social Security for 2018! There will be a 2% increase in Social Security payments for retirees and other recipients for 2018. This is the largest benefit increase since 2012.

New White Paper: a new white paper on **Retirement Plan Costs Beware! A Mutual Fund Share Class Study- and Why the Cheapest Fund Class May Not be the Best!** This assists trustees of retirement plans and helps them to understand the complex pricing of the mutual funds. Contact us if you would like a copy emailed to you.
Foresight in the News! Our firm was ranked nationally as a RIA firm for 2017 in the Financial Advisor Magazine, July 2017.

New Health Savings Accounts-HSAs with Foresight: Foresight now offers HSA accounts for your Company or Individual HSA savings. An HSA with Foresight will allow you to choose the same 3 Model portfolios of risk either Conservative, Moderate, or Aggressive. If you have a High Deductible Health Plan then you can consider opening a HSA = Health Savings Account with Foresight. The savings rates are going up in 2018 to $3,450 for single and $6,900 for family. The HSA savings are not subject to Federal Tax and will grow, much like a Roth IRA, with no tax due if used for all qualifying health expenses, note cannot be used to pay health insurance premiums. If you are interested in more information on this strategic investment idea for your healthcare savings please contact us.
2018 HDHP=minimum deductible for single $1,350 and family $2,700 and out of pocket maximum for single $6,650 and family is $13,300.

Foresight's New Web Portal Reporting: The Web Portal is for your protection and information security. We want our communication to be timely and beneficial to you. Go to **https://cwp.morningstar.com**. If you have any access issues please call or email us at 1-877-429-4690 or **mgallagher@fcmadvisors.net.**

Tax Information will be put in your Web Portal for ease of access. Please be sure to check here first as this will help save you time when gathering data for your tax preparer. Go to **https://cwp.morningstar.com.** 1099's are expected to be sent to you by Mid-February.

Did you Know? you can give your Tax preparer access to download your tax information directly into the tax software and save them a lot of input time. This will also likely save you a lot of money in tax prep fees. It is worth asking your tax preparer how this might save you. However, be sure to change your access to your custodian accounts, UID and PW, after your taxes are completed to re-secure your investment accounts.

Did you Know?: Foresight has written three white papers. **Low Cost Investing- The Costly Approach?** and **Target Date Funds-The Next Retirement Dilemma**, and most recently **Retirement Plan Costs Beware! A Mutual Fund Share Class Study- and Why the Cheapest Fund Class May Not be the Best!** Please email us at **consultant@fcmadvisors.net** if you would like a copy to read.

Did you Know? If you have Roth 401(k) it is wise to roll these funds to a Roth IRA before you turn 70 ½ because if the Roth funds are left inside a 401(k) they must take RMD (required minimum distributions) just like the pre-tax funds which defeats the purpose of letting the Roth grow! However, if you roll it over into a Roth IRA before 70 ½ then you do not need to take the RMD from the Roth IRA. This is a very important hint to remember!

Did you Know?: You can take a distribution from your 401(k) or 403(b) prior to age 59 ½ without a 10% penalty; if you have separated from service no earlier than age 55. Funds must be in a 401(k) or 403(b) and cannot be in an IRA. Additionally, if you retire and wish to begin normal distributions prior to 59 ½ then a 72-T calculation can be done to allow funds to be removed from your IRA without a 10% penalty as long as you have separated from service.

Roth IRA Ideas if interested in additional savings ideas consider opening a Non-deductible IRA. This will allow you to save the maximum in your 401(k) and also save an additional $5.5k in a Non-deductible IRA, and $6.5k if age 50+. Then convert the Non-deductible IRA to a Roth IRA! It is a way to obtain a backdoor Roth IRA funding even if you are not able to save directly into a Roth IRA. Additionally, ask if your 401(k) allows for additional after-tax contributions. If so then you can add to the after-tax contributions and consider rolling them out to an IRA where you can do a conversion to a Roth IRA. This is another form of backdoor Roth!

On-line Access each year we encourage everyone to test your on-line access to your account(s) at the custodian or third party administrator for your plan. Please visit **Journeyrps.com** or **Noblepension.com** if a retirement participant. For individual clients at TD Ameritrade access **Advisorclient.com** for Schwab Institutional Clients access **Schwaballiance.com.** To access your web portal for individual accounts go to **https://cwp.morningstar.com** . If you have any difficulty accessing your account, please email or contact us.

Foresight

Capital Management Advisors, Inc.

April 2018

Market Update
(all values as of 03.30.2018)

Stock Indices:

Dow Jones	24,103
S&P 500	2,640
Nasdaq	7,063

Bond Sector Yields:

2 Yr Treasury	2.27%
10 Yr Treasury	2.74%
10 Yr Municipal	2.48%
High Yield	6.34%

YTD Market Returns:

Dow Jones	-2.49%
S&P 500	-1.22%
Nasdaq	2.32%
MSCI-EAFE	-2.20%
MSCI-Europe	-2.57%
MSCI-Pacific	-1.51%
MSCI-Emg Mkt	1.07%
US Agg Bond	-1.46%
US Corp Bond	-2.32%
US Gov't Bond	-1.58%

Commodity Prices:

Gold	1,327
Silver	16.27
Oil (WTI)	64.94

Currencies:

Dollar / Euro	1.23
Dollar / Pound	1.40
Yen / Dollar	106.52
Dollar / Canadian	0.77

Macro Overview

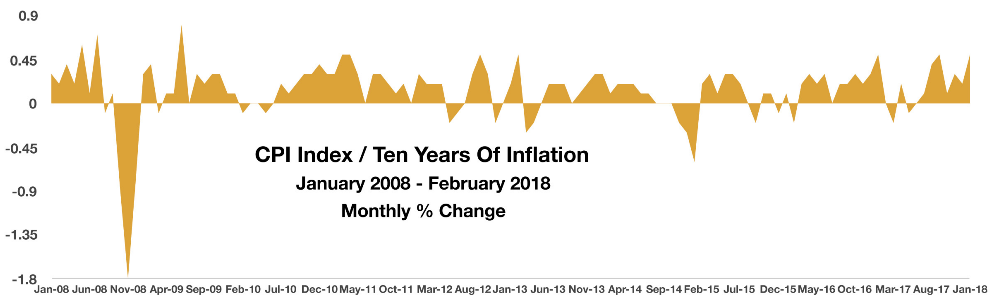
Volatility was rampant throughout the markets as fear of inflation and rising interest rates pilfered gains that had accumulated from the beginning of the year. Some see a fundamental trend is in place as a normalization of interest rates evolves.

The release of a jobs report in early February was the catalyst for volatility, as the pace of wage growth was greater than expected thus raising the specter of more aggressive Fed tightening to combat inflation. The Federal Reserve communicated that it is on track to raise rates three to four times this year, stating that "substantial underlying economic momentum" exists for further rate increases.

Historically when markets experience a volatility spike as we experienced in February, a strong economy is a buffer against any long-lasting downturns. Regardless of the catalyst, both stocks and bonds tend to regain their footing following such an environment.

The abrupt rise in bond yields over the past month is in anticipation that the Fed will continue to raise short-term rates this year. The 10-year Treasury yield, which is established by the markets, rose to 2.87% in February from 2.46% at the beginning of the year. The higher yield on U.S. debt is starting to attract additional foreign assets relative to lower yields from other developed countries. The increase in rates is beginning to affect consumer loans from homes and autos to credit cards, and quite possibly offsetting the initial benefits of the recently passed tax cuts.

The roughly 50 percent increase in crude oil prices from lows in June 2017 has helped push inflation higher over the past few months of which oil is an integral component. Economists do not consider inflation a threat to economic prosperity as long as it is gradual and controlled, of which inflation is measured by the Consumer Price Index (CPI).



The Labor Department said the cost of employing the average American worker rose 0.5% in the final three months of 2017 and was up 2.6% in the 12 months ending in December. That's the biggest 12-month gain for the employment cost index in almost three years. There was a 2.9% jump in average hourly earnings over the past year, the highest increase since June 2009. The average work week fell to 34.3 hours from 34.5 hours.

(Sources: Labor Dept., BEA, Federal Reserve, Bloomberg)

Macro Overview

Markets were rattled in March as a looming trade war between China and the U.S. enhanced market volatility. The administration announced $60 billion in tariffs for Chinese imports, with a detailed list of products which will be identified by the Commerce Department in April. China threatened to retaliate by imposing tariffs on U.S. imports as well as curbing U.S. Treasury purchases.

Intricate supply chains have evolved between the United States and China over the past twenty years. Some U.S. manufacturers ship U.S. made components to China for final assembly, then ship finished products back into the U.S., thus posing a challenge as to how trade deficits are calculated.

Key economic data released over the past month revealed that key data points were the strongest reported since 1998. The market has become much more dependent on data as it looks for signs of inflation and rising rates. Various analysts view current market volatility primarily driven by non-systemic events and isolated to specific events and individual company news.

A key lending benchmark, the Libor, has been rising steadily. The three-month U.S. dollar Libor rate surpassed 2% in early March, the highest level since 2008. Based in London, the Libor affects U.S. consumer loans, commercial loans, and adjustable rate mortgages.

Rapidly rising mortgage rates are dampening the hopes of families eager to lock in rates before payments start to become too expensive. The continued lack of housing supplies has added a double cost factor to the market, with prices elevating due to tight supplies and rising mortgage rates.

The International Energy Association (IEA) projects that the United States is on track to become the worlds single largest oil producer by 2023. The estimates are based on production growth and supplies generated by U.S. energy producers over the next few years. U.S. daily oil production alone is expected to reach over 12 million barrels per day by 2023, a 20% increase from the current levels of 10 million barrels per day.

Congress reached a $1.3 trillion budget deal that will fund the federal government through September. The extensive 2,232 page bill averts a government shut down and funds special programs for child care, infrastructure, medical research, opioid abuse prevention, and national security.

The IRS audited roughly 0.05% (half of one percent) of the 195,614,161 returns filed for tax year 2016. The number of examinations, also know as audits, was higher in the mid 1990s, when about 1.7% of returns were audited.

Sources: Dept. of Commerce, Bloomberg, congress.gov

0.05%

Percentage of returns audited by the IRS for tax year 2016.

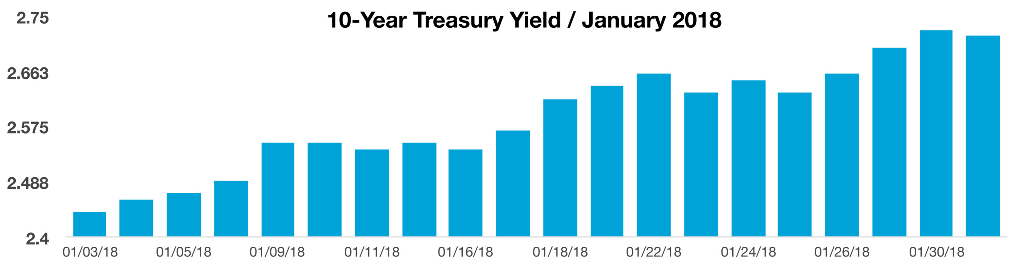
OVER 25% OF THE S&P 500 INDEX IS CURRENTLY COMPRISED OF TECHNOLOGY SECTOR STOCKS

Yields Head Higher – Fixed Income Update

Rising global bond yields precipitated a sell off in stocks as the cost to borrow for companies and governments rose. A host of factors are contributing to rates rising including: the ECB, Japan, and Federal Reserve all ending years of stimulus efforts; rising wages; and global economic growth. International bond yields rose in tandem with rising U.S. treasury yields, elevating the 10-year German bund out of negative yields.

As with companies, municipalities may be hit with higher interest rates resulting in saddling state and local government budgets producing increased borrowing costs. Further yet, rising rates may also prevent certain municipalities from taking steps to shore up their underfunded pension plans.

In its January meeting, the Fed did nothing to discourage expectations that it will continue to tighten monetary policy when it meets again in March. The Fed has officially begun to unwind its post financial crisis stimulus process, which entails raising short-term rates and reducing its $4.4 trillion balance sheet.



The Fed is now on track to raise short-term rates three times this year, since it has met its dual mandate of maximum employment with stable inflation. Any additional growth resulting from the recent tax cuts may entice the Fed to raise rates a fourth time this year should it be warranted.

The Treasury Department plans to increase the size of its bond and note auctions by $42 billion in order to meet funding requirements for the government. It also stated that it would only be able to fund government operations through the end of February unless congress raises the debt ceiling.

(Sources: Fed, US Treasury)

Tech & Tariff Influenced Volatility – Equity Update

Technology stocks led volatility in the first quarter, pulling other sectors into trading frenzies. Over 25% of the S&P 500 Index is currently comprised of technology stocks, having added volatility to the index for the first quarter. Trade war rhetoric added to volatility as U.S. companies sensitive to higher import prices on raw materials and certain finished goods experienced pullbacks.

Companies in the technology sector faltered as privacy concerns drove social media shares lower. The technology sector has also became more prone to volatility leading to gyrating valuations. In addition, news of heightened regulatory rules for technology and social media related companies escalated a sell off heading into the second quarter.

Transportation stocks are rising more closely with the rest of the market, an optimistic signal according to the century old Dow Theory.

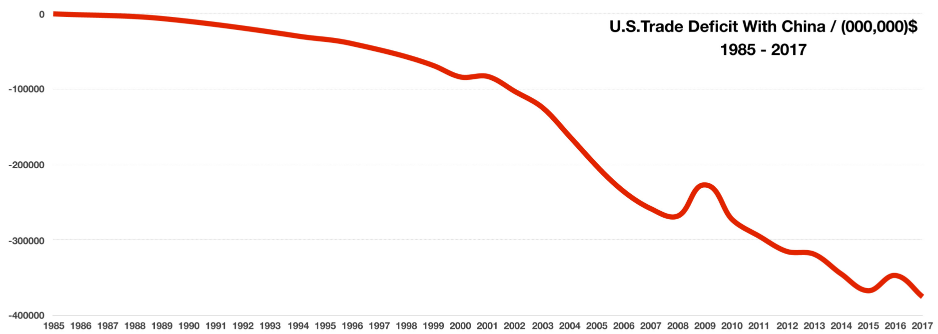
Sources: Dow Jones, S&P, Bloomberg

A TRADE BALANCE WITH CHINA IN 1985 IS NOW A TRADE DEFICIT OF $375 BILLION IN 2017

The Growing Trade Deficit With China – International Trade Policy

Over the past twenty five years, China has evolved from a heavy equipment and machinery exporter to a prominent leader in technology product exports. Large international conglomerates have established an enormous manufacturing presence throughout China, utilizing its cheap labor and quick turn around times. China's manufacturing plants are among the most modern in the world, producing large capacities almost entirely for export.

As the world's appetite for electronic devices has grown, so has China's ability to manufacture and export these devices. As a product exporter, China is able to manufacture and export finished products worldwide. In addition, China is also an exporter of components, which may be used in the manufacture and assembly of products in other countries, such as the United States. By exporting components in addition to finished products, China is able to hedge against tariff issues and labor costs should they become a factor.



Trade with China has grown tremendously over the past 30 years, from nearly a trade balance in 1985 to a trade deficit of $375 billion in 2017. Imports from China were $506 billion while U.S. exports to China were $130 billion, thus an ensuing trade deficit.

Ironically, China's purchases of U.S. government debt has helped maintain a low interest rate environment, thus reducing loan rates allowing U.S. consumers to finance more expensive Chinese imports such as big screen TVs, cell phones and computers.

Sources: WTO, IMF, U.S. Dept. of Commerce, FRED

Rates Stabilize In March – Fixed Income Overview

Equity market volatility in March drove assets towards various sectors of the bond market, thus pushing yields slightly lower and various fixed income prices higher.

A key leading rate, the Libor, rose the most in 10 years. Debt reliant companies and consumers with variable rate loans tied to the Libor are most susceptible. The three month Libor rate rose to 2.31% at the end of the quarter. The six-month Treasury bill reached a yield of 1.88% in early March, an important yield because that's exactly what the S&P 500 Index yields. Some income seeking investors may begin to view short-term bonds as an attractive alternative to dividend paying stocks prone to market volatility.

The Federal Reserve decided to raise the Fed Funds rate to a range of 1.5 – 1.75%, on track for another three rate increases this year. Language from the Fed Chief Jerome Powell shed some optimism on economic activity, noting that "the economic outlook has strengthened in recent months", warranting further increases in the Fed Funds rate.

Sources: Federal Reserve, Bloomberg

Foresight

Capital Management Advisors, Inc.

THE 30 YEAR AVERAGE CONFORMING MORTGAGE RATE ROSE TO 4.15% IN JANUARY

New IRS Tax Withholding Tables – Tax Planning

Because of the new tax law provisions this past month, 90% of wage earners will see an increase in their paychecks due to revised withholding rates, according to the administration. The effect of the revisions will be noticeable in early February, or as soon as employers adopt the new withholding tables, which are required to be in place no later than February 15th.

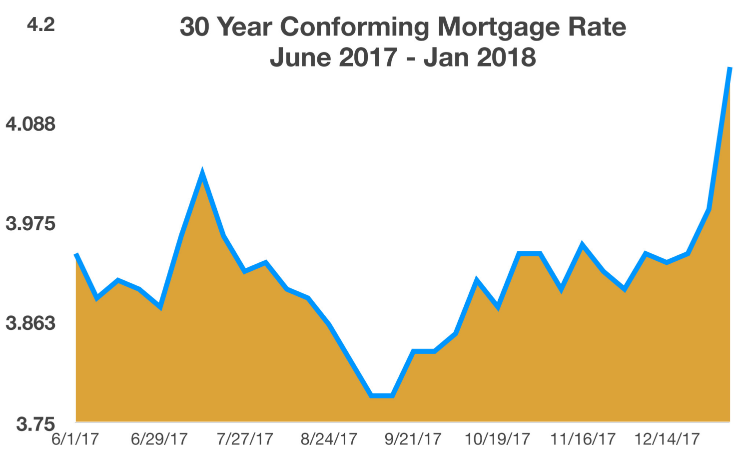
Withholding tables are used by payroll services and employers to determine how much tax to withhold on employee checks. The new tables reflect the increase in the standard deduction, repeal of personal exemptions and tax rate modifications.

According to the IRS, the new tables should produce more precise tax withholding, thus reducing overpayments that result in excessive tax refunds. The idea is to have just the right amount withheld, not too much and not too little. The IRS is also suggesting that form W-4 be revised to account for changes with itemized deductions, child tax credit, dependent credit, and repeal of dependent exemptions.

The IRS is also updating its withholding calculator on IRS.gov to reflect the new tables https://www.irs.gov/individuals/irs-withholding-calculator. (Source: IRS)

Mortgage Rates Starting To Rise – Mortgage Market Update

Optimism about economic growth has led to higher inflationary expectations, which eventually translate into higher interest rates. Over the past few months, the yield on the 10-year U.S. Treasury has increased from a historical low of 1.35% in 2016 to 2.72% at the end of January. As a gauge for mortgage rates nationally, the increase in the 10-year Treasury has also led to an overall increase in mortgage rates. According to data made available by Freddie Mac, the average rate on a 30-year fixed mortgage loan increased to 4.15% at the end of January. The concern economists have is that as mortgage rates continue to increase, home sales and affordability may begin to falter.



Thirty-year mortgage rates have surged to the highest levels in nearly a year, increasing borrowing costs at a time when the housing market is strengthening and prices have been rising. The 4.15% rate at the end of January was the highest rate since March 2017 and above 4 percent for the first time since May 2017. The average 15-year mortgage rate climbed to 3.62 percent from 3.39 percent.

Even with the recent rise in mortgage rates, rates are still low on a historical basis. As of this past month, the average mortgage rate since 1971 has been 8.16%. Over the past 46 years, mortgage rates have transitioned from the 5% range in the early 70s to over 14% in the late 70s and early 80s, with the 30-year conforming rate hitting a record high of 16.63% in 1981. (Sources: Freddie Mac, Bloomberg, U.S. Treasury)

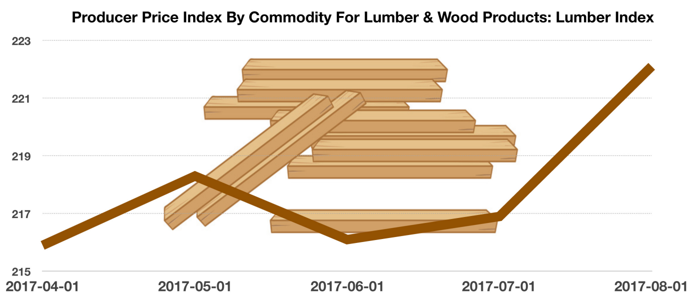
Foresight

Capital Management Advisors, Inc.

A NEW 50% TARIFF WILL BE LEVIED ON IMPORTED WASHING MACHINES

Lumber Supplies Pose Challenge For Housing – Housing Update

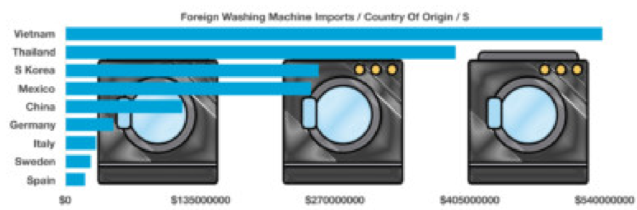
The fierce storms that ravaged Texas and Florida last year, in addition to the horrendous fires in Northern California, have led to a rise in demand for construction materials including lumber. Homebuilders use a multitude of raw and finished materials for the construction of homes, including wiring, plastic tubing, and lumber. The increase in demand has decreased the supply forcing prices higher. Builders are passing along the higher costs to home buyers thus pushing housing prices upward. In addition to the lack of supply contributing to rising prices, a recent imposition of tariffs on Canadian timber is also adding pressure. Less expensive Canadian lumber has been a primary source for builders. Suppliers to homebuilders are essentially running low on levels of lumber all over the country, as lumber prices are on the rise with homebuilders also gearing up for the summer season. Various other factors are also affecting lumber prices nationwide, such as thousands of new homes under construction, and young families eager to purchase a new home before rising rates dampen their chances.(Source: Commerce Department)



Washing Machines & Solar Panels Subject To New Import Tariffs – Trade Policy

Inexpensive imports inundating the U.S. consumer market have become a target for the Trump administration. The Commerce Department has been given the task of identifying imported products where U.S. producers and manufacturers may experience unfair trade characteristics. The low cost of labor overseas has made it nearly impossible for U.S. manufacturers to compete with, especially in labor intensive industries.

Various U.S. manufacturers have been complaining about foreign manufacturers dumping their products in the U.S. in order to gain market share. Dumping is a practice when manufacturers export a product to another country at a price below their costs or below market prices. The U.S. Dept of Commerce monitors such activities and has filed various complaints with the World Trade Organization (WTO) over the practices. The WTO did recognize violations and identified several manufacturers using unfair trade practices.



This past month the Department of Commerce imposed higher tariffs on the imports of washing machines and solar panels manufactured overseas. The bulk of washing machines imported into the United States are from Asian countries including Vietnam, Thailand, and South Korea. The tariff on washing machines will start at 20 percent on the first 1.2 million units, then increase to 50% on every other unit after that. It is expected that the higher cost brought about by the tariffs will be passed along to American consumers by the foreign manufacturers. Solar panels imported into the U.S. will be imposed a 30 percent tariff the first year, dropping to a 15 percent tariff in the fourth. (Sources: Dept. of Commerce, WTO)