# Reduce Stress To Cut Your Heart Attack Risk

**A new study links stress with heart disease, but there are easy ways to stay healthy and protect your heart.**

Stress is part of modern life but a new study shows that being stressed takes a serious, and lasting, toll on your health and increases your risk of heart disease.

The multi-year study published in the medical journal The Lancet is the first to pinpoint how stress affects the body. Stress apparently triggers the amygdala – the part of the brain keyed specifically to respond to stress – which then activates bone marrow and inflames the arteries.

This is a survival mechanism that would have been essential for the earliest humans as it prepares the body to deal with a harmful experience. Bone marrow produces the white blood cells necessary for tissue repair. Wider arteries increase blood flow.
However, today, the over-production of white blood cells can cause a build-up of plaque in the arteries and lead to heart disease. The people in the study with higher amygdala activity had a greater risk of cardiovascular disease and developed problems sooner than those with lower activity.

"Eventually, chronic stress could be treated as an important risk factor for cardiovascular disease, which is routinely screened for and effectively managed like other major cardiovascular disease risk factors, such as smoking, high blood pressure and diabetes," says study author and cardiologist Dr Ahmed Tawakol.

"So far, it appears that things like mindfulness and other stress-reduction approaches seem to really nicely tamp down on the amygdala, and they appear to even cause benefits in other areas of the brain." The other stress-reduction approaches are diet and exercise. Regular exercise triggers feel-good chemicals in the brain such as dopamine and endorphins. It also reduces the damage the stress hormones cortisol and adrenaline cause.

Physical activity relieves tension and helps enrich your brain with oxygen and nutrients, which can improve cognitive functioning and leave you feeling energised and alert. Exercise should be teamed with a healthy diet low in refined sugar, saturated fats, salt and alcohol, and high in fruits, vegetables, grains, legumes, lean meats and unprocessed foods. As an added bonus, you may even lose weight.

*Source: RI Article Hub*

# Longevity: Are you prepared?

**The secret to a happy, long life: exercise, vegies … and a financial plan for your future.**

All over the world people are living longer. What's the secret? National Geographic researchers found that the following could add years to your life:

- **Invisible exercise:** It's exercise that is a seamless part of your day, like walking to the shop, running around with the grandkids or an hour gardening.
- **Eating vegies:** The vegetarians were right! Communities with the longest life expectancy eat a plant-based diet. And they eat slowly.
- **Finding your tribe:** Being surrounded by supportive friends can make all the difference.
- **Living with purpose:** Having a reason for waking up every day will not only make you happier but can add seven years to your life.


The great news is the life expectancy of Australians is increasing. Australian men can now reasonably expect to live to 85, and women even longer! This means we need to plan on living perhaps 20 years
after we retire, or more. If you are living a healthy lifestyle surrounded by friends, you may want to consider your longevity risk.
Longevity risk is the chance that you'll live longer than you expected (hooray!) … But if you're not prepared, you may outlive your insurance policy and you could even exhaust your retirement savings. Have you considered how many years you'll live for?

Is your investment portfolio structured to preserve capital for the long term? Have you reviewed any longevity-protection focused solutions?

RETIREINVEST

RI advice
Retirement Advice Specialists




**647 Ruthven Street, TOOWOOMBA QLD 4350 | PO Box 1615, TOOWOOMBA QLD 4350 | 07 4639 3733 | enquiries@ritoowoomba.com.au**
**Visit us on the web: www.ritoowoomba.com.au | Find us on Facebook: RI Toowoomba and Ipswich**





ISSUE 04 Dec 2017


# RI Toowoomba & Ipswich

## In this Issue



## Jeff's Jottings

As 2017 draws to a close as quickly as it began, we ponder the year that was. With a lot of talk in the news at the moment about North Korea, Trump, terrorism and the effect it may have, it is important to remember that global economies are currently performing strongly together for the first time in over a decade.

Domestically, with the resource boom coming to an end, the Australian economy has seen encouraging results in the non-mining sectors. The All Ords has shown growth of 5.37% since October this year and is currently sitting at 6060. We are experiencing a rebound in commodity prices with the Australian dollar currently buying around $0.76 US which is positive for tourism and exports.

As we move into 2018 with a cautious view on markets, we wish you all a safe and joyful festive season and thank you for your continued support.

Kind regards,

*Jeff English*

**Jeff English**

Chief Executive Officer & Senior Financial Adviser
RI Toowoomba & Ipswich

# Economic Overview

The CPI data for the September quarter showed prices rising 1.8% from a year ago. This was below expectations of a 2.0% increase. Recent increases in utility prices had a more modest impact on the inflation data than anticipated.

Inflation has undershot the Reserve Bank of Australia's 2% to 3% CPI target for almost two full years, suggesting domestic interest rates might remain low for an extended period.

There was some good news on the employment front, with nearly 20,000 jobs added in September. This pushed the unemployment rate down to 5.5%, from 5.6%. Some economists suggested this could result in upward pressure on wages and, in turn, inflation in 2018.

**Australia**
CPI data for the September quarter showed prices rising 1.8% from a year ago. This was below expectations of a 2.0% increase. Recent increases in utility prices had a more modest impact on the inflation data than anticipated.

Housing and transport costs also continue to rise for most Australians, but weaker food prices dragged down the overall inflation reading. Inflation has undershot the Reserve Bank of Australia's 2% to 3% CPI target for almost two full years, suggesting domestic interest rates might remain low for an extended period.

There was some good news on the employment front, with nearly 20,000 jobs added in September. This pushed the unemployment rate down to 5.5%, from 5.6%. Some economists suggested this could result in upward pressure on wages and, in turn, inflation in 2018.

**New Zealand**
Business confidence sank in October, reflecting political uncertainty. During October, the Labour Party formed a coalition government with the populist New Zealand First Party, breaking the nine-year rule of the National Party.

The new government is believed to be considering ways of reducing immigration and restricting foreign ownership of property. There has also been speculation that the new government could amend the mandate of the Reserve Bank of New Zealand, to include employment as well as inflation targets.
For now, interest rates remain on hold at 1.75%. Markets are not currently anticipating an increase until 2019, which is contributing to currency weakness.

**US**
In spite of hurricanes Harvey and Irma, which dampened activity, the US economy expanded 3.0% year on year in the September quarter; pleasingly similar to the 3.1% for the June quarter. The latest payrolls data disappointed, again likely affected by the recent storms. New job vacancies remain robust, however, suggesting employment could improve before year-end.

The latest Federal Reserve Board meeting was held on 31 October and 1 November. Official interest rates were left unchanged at this meeting, but an increase in December remains likely. This decision continues to be the key focus for investors globally and is affecting sentiment towards markets. In the statement that followed the latest meeting, the 'Fed' amended its previous description of current US economic growth to 'solid' from 'advancing moderately'. Observers took this as a further signal that rates will be increased for the third time this year at the mid-December meeting.

**Europe**
Preliminary estimates suggested inflation in the euro area declined to 1.4% year on year in October, reflecting moderating energy and services costs.
As anticipated, the European Central bank held its benchmark refinancing rate at 0% at its latest meeting, but did announce a reduction in the scale of its quantitative easing program. From January 2018, the Bank will reduce its bond repurchases to €30 billion per month (from €60 billion per month currently). It has, however, extended the scheme by nine months, suggesting persistently low inflation requires ongoing stimulus. *(Continued on Page 2)*

## Keeping You In Touch 2017

On Wednesday 29th November 2017, the RI Toowoomba and Ipswich team were joined by 200+ Standard, Tailored and Platinum clients at our annual Keeping You In Touch luncheon at Highfields Cultural Centre.

It is always a great opportunity for clients to meet our staff in person, hear about recent economic events and the forecast for the upcoming year and some fun with our Trivia competition and lucky door prizes.

We would like to thank the clients that were able to join us this year, we hope you enjoyed the day.

*(Continued from page 1)*

Whilst still high by Australian standards, the unemployment rate in Europe continues to trend lower. The jobless rate fell to 8.9% in September, the lowest rate since January 2009 and well below the average of the past 20 years. According to the latest data, economic growth in the Euro area continues to outpace that in the UK. Eurostat has estimated that GDP in the 19 euro member states rose 2.5% in the year ending 30 September; well above the UK's 1.5% growth rate.

'Brexit' talks – regarding the UK's planned withdrawal from the EU – are continuing, albeit at a slow pace.

### Australian dollar

The Australian dollar performed poorly against most major peers in October, losing around 2% against a trade-weighted basket of currencies. Against the US dollar, the Australian dollar is now trading at its lowest levels since early July 2017.

The weakness in October was primarily driven by the subdued inflation reading, which suggested local interest rates are unlikely to be raised any time soon. This is in contrast to the US, where a rate hike is widely anticipated in December.

### Australian equities

After five months of subdued performance, the ASX 200 jumped 4.0% during October; its best monthly return so far this year. All industry sectors posted positive returns, with Energy (+6.5%), Consumer Discretionary (+6.2%) and Health Care (+5.5%) among the outperformers.

Energy stocks, including Oil Search, Santos and Woodside Petroleum, continued their rally on the back of a rising oil price. Materials (+4.5%) also had a strong month. A falling iron ore price was offset by gains in other commodities, particularly industrial metals. A number of larger materials companies also released solid Q3 updates during the month.

Financials (+3.2%) were supported by strongly performing insurance stocks, including QBE, IAG and Suncorp. The large banks were also mostly positive, although ANZ underperformed after disappointing the market with a lacklustre earnings update. Telcos (+2.4%) were mostly positive, with Telstra finally stemming recent losses and posting a small gain. The ACCC report on the communications sector, looking into NBN charges, saw TPG Telecom bounce sharply into month-end. Vocus Communications rallied further after announcing its intention to sell its New Zealand business.

### Global equities

Global equity markets continued to reach all-time highs in October. The MSCI World Index added 1.9% in USD terms; the twelfth consecutive monthly increase. The weakness in the Australian dollar boosted the return to 4.3% in AUD terms. Markets were buoyed by a combination of solid economic data (including the US GDP growth figures) and strong corporate earnings results in the US and Europe.

There was a market-pleasing election result in Japan, which supported the Nikkei 225 Index (+5.6% in JPY terms). The re-election of Prime Minister Shinzo Abe heartened equity markets, given the likelihood of continued monetary stimulus and a supportive fiscal policy.

Growth stocks jumped with the strong earnings releases from US technology stocks and the favourable GDP data. The MSCI World Growth Index added 2.8% in USD terms, outperforming the MSCI World Value Index (+1.0%) for the eighth month this year. In 2017 to date, growth stocks have outperformed value stocks by 10.2%. Emerging markets stocks also benefited from the increasingly robust outlook for global growth and outperformed their developed counterparts for the ninth month this year, rising 3.5% in USD terms and extending accumulated outperformance to 13.9% since the start of 2017. Asian markets led the way in October, up an impressive 5.3% in USD terms.

### Global and Australian Fixed Interest

The release of weaker inflation data in the US in mid-month caused bond yields globally to move lower. This trend quickly reversed, after comments from the US Federal Reserve suggested a December interest rate hike remains likely.

Towards the end of the month, investors focused on the imminent announcement of a new Chair of the Federal Reserve. The favourite candidate for the role is perceived to be one of the more dovish members on the Board, suggesting the pace of rate rises could be moderate if he is appointed. This outlook saw bond yields globally fall towards month end.

The net impact of these events in October as a whole saw 10-year government bond yields up slightly in the US (+5bps) and down in other major markets. Australia saw a significant drop in yields in the month (-17 bps), following the softer-than-expected inflation data. German yields were down 10 bps, UK down 3 bps and Japanese yields closed the month unchanged.

The current low inflation environment appears likely to continue to support historically low yields, limited volatility and, ultimately, lower real rates of return from fixed income investments.

### Global credit

Global investment grade credit spreads continued to tighten. Specifically, the Bloomberg Barclays Global Aggregate Corporate Index average spread moved 7 bps tighter, to 0.95%.

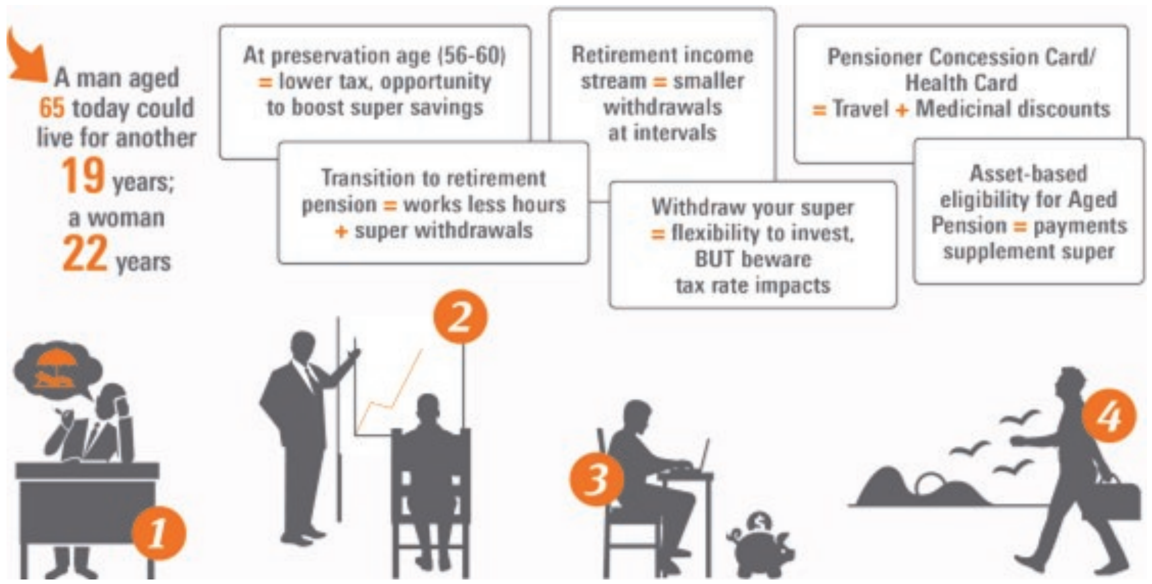
US credit moved 5 bps tighter, with the Bloomberg Barclays US Aggregate Corporate Index average spread closing at 0.91%. In Europe, the spread on the Bloomberg Barclays European Aggregate Corporate Index was 9 bps tighter, to 0.87%.

US high yield credit spreads also moved tighter, with the Bank of America Merrill Lynch Global High Yield index (BB-B) in 7 bps, to 2.68% by month end. The high yield market continues to be impacted by down.

*Source: Colonial First State 15th November 2017*

# Reduce Your Retirement Worries

Entering retirement is a significant change – but that doesn't mean it has to be stressful. By starting to plan early and following a few simple steps, you can help reduce your worries as you transition.




Consider what lifestyle you want. Do you want to travel, move, study? Go on a cruise then settle down in a retirement village? Or downsize your home and live comfortably? On a psychological level there are other considerations. For example, how will you fill your time in retirement and will it keep you sufficiently engaged and or give your life a sense of purpose? Have you thought about giving back to the community in some way, or working and or consulting part time?

How much money you'll need will depend on a clear picture of all of your goals – both financial and your overall wellbeing. Once you've decided on your retirement goals, you need to consider whether you'll have enough money to support them.

It's important to think long term. A man who is 65 years old today could live 19 more years; a woman 22 years more. But you may live even longer. You'll need to know how much super you will have by the time you'd like to retire, when you'll be able to access your super and whether you'll be eligible for the Age Pension. You can use many online tools to calculate how much you're likely to save during your working life. A financial adviser may also provide you with a thorough evaluation tailored to your current assets and super fund. After coming to grips with your finances and how much you'll need to save to fund your desired lifestyle, you can work out the appropriate retirement plan.

You may want to start a transition to retirement pension, which allows you to keep working while accessing your super. By continuing to work after you reach your preservation age (between 56 and 60, depending on when you were born), you can boost your retirement savings as your employer will continue to make contributions to your super and it'll be taxed at a lower rate. With a transition to retirement pension you can either continue to work full time or reduce your working hours and supplement your income with withdrawals from your super – but there are restrictions on how much you can withdraw. Which option you choose will depend on your desired retirement lifestyle.

In the recent Federal Budget, the Government proposed to change the tax treatment of transition to retirement pensions. It is important to understand how these proposed changes may impact you. If you are able to work past pension age, there are government incentives you can take advantage of, such as the Work Bonus. Under the Bonus, the first $250 of your employment income isn't assessed in the pension income test, increasing the amount you can earn. If you would like to retire and access your super once you reach preservation age, there are several ways you can manage your finances. You may set up a retirement income stream. This means you can withdraw certain amounts from your super fund at intervals so you don't spend your savings too quickly.

Another option is to withdraw your super in cash or transfer it to a non-super account. This may be an appealing way to immediately clear debts, invest in assets outside super and make any significant immediate purchases. However, it may also lower your future income and attract higher tax rates. Retirees can take advantage of numerous entitlements such as travel concessions, discounted medicine and other benefits that holding a Pensioner Concession Card or Commonwealth Seniors Health Card provide. If you are eligible, the Age Pension will provide you with payments as a supplement to your savings.

Retirement can be an exciting time of transition. By organising your finances now you are better equipped to enter your retirement with far less stress, more purpose, and free to enjoy what's ahead.

*Source: RI Article Hub*

## Recommend RI Toowoomba and be rewarded!

The highest compliment you can give us, is to recommend us to your family and friends.

Your referrals are our number one source of new business and we like to let you know that your referrals are appreciated by sending you a $20 Coles Myer Gift Card. You will also be entered into the draw for our "Referrer of the Year" prize drawn at the KYIT luncheon if your referral is successful.

This years winner is Judy Slattery, Congratulations again Judy!

## Christmas Office Hours

The RI Toowoomba & Ipswich Office will be closed from Midday on Friday 22 December 2017 and will re-open on Tuesday 2nd January 2018 at 9am.

On behalf of our staff, we wish you a Merry Christmas and a safe and Happy New Year.

We look forward to seeing you in 2018!