

WEEKLY MARKET COMMENTARY

For the Week of Feb. 8, 2016

THE MARKETS

Global stocks fell after January's positive jobs report strengthened the probability the Federal Reserve could make another rate hike this year. After two weeks of gains, oil prices also dropped. For the week, the Dow fell 1.54 percent to close at 16,204.97. The S&P lost 3.04 percent to finish at 1,880.05, and the NASDAQ dropped 5.44 percent to end the week at 4,363.14

Returns Through 02/05/16	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-1.54	-6.85	-7.10	7.63	8.75
NASDAQ Composite (PR)	-5.44	-12.87	-8.44	11.22	9.52
S&P 500 (TR)	-3.04	-7.85	-6.89	9.84	9.80
Barclays US Agg Bond (TR)	0.24	1.62	0.57	2.25	3.77
MSCI EAFE (TR)	-1.52	-8.64	-11.72	0.56	0.95

Source: Morningstar.com. *Past performance is no guarantee of future results. Indexes are unmanaged and cannot be invested into directly. Three- and five-year returns are annualized. The Dow Jones Industrials, MSCI EAFE, Barclays US Agg Bond and S&P, excluding "1 Week" returns, are based on total return, which is a reflection of return to an investor by reinvesting dividends after the deduction of withholding tax. The NASDAQ is based on price return, which is the capital appreciation of the portfolio, excluding income generated by the assets in the portfolio in the form of interest and dividends. (TR) indicates total return. (PR) indicates price return. MSCI EAFE returns stated in U.S. dollars.

The Two Largest — The U.S. economy represents 22 percent of the global economy. The Chinese economy represents 13 percent of the global economy (source: The World Bank, BTN Research).

Ups and Downs — The S&P 500 has gained 9.7 percent per year (total return) over the past 50 years (1966-2015) in spite of suffering through eight bear markets of at least a 20 percent decline each time (source: BTN Research).

Volatile — Of January's trading days, 68 percent produced total return gains or losses of at least 1 percent for the S&P 500. In the past five years (2011-15), 23 percent of trading days had gains or losses of at least 1 percent (source: BTN Research).

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WEEKLY FOCUS – Holiday Gifts a Security Risk?

Many of the hottest gifts this past holiday season were Internet-connected: fitness trackers, smartwatches, tablets, drones and interactive toys like Mattel's Hello Barbie™. Unfortunately, cyber security experts say some companies failed to incorporate adequate safety measures in their rush to market new smart products. These weaknesses could potentially allow thieves to access a home network and sensitive information on its main computers.

The problem isn't new. According to a 2014 study from computer manufacturer HP, seven out of 10 Internet-enabled devices (including TVs, home alarms and thermostats) contained security vulnerabilities. But the problem will undoubtedly grow, with analysts predicting another 20-30 billion Internet-connected devices will hit the market in the next three to four years.

Thankfully, there are simple ways to help keep your home network from being hacked through your connected devices. Don't jump on all the latest trends. Smaller companies in particular may rush a product to market, and the first models could become security guinea pigs. Later models are more likely to have security flaws resolved. Research a prospective brand to see if it has had security incidents in the past.

Always switch preset manufacturer passwords immediately, and create strong passwords that are somewhat complex and hard to guess. Check manufacturers' websites regularly for firmware updates, which can provide another layer of security. Avoid public Wi-Fi. Turn Bluetooth off when you're not using it. If your device has the option to do so, make Bluetooth "invisible."

Install a respected anti-virus program on your computer. Use a router-based firewall and set up guest accounts for connected items. This allows a device to connect to the Internet but prevents access to personal files and the installation of software or hardware. Be sure to wipe any device clean or have it factory reset before giving it away or disposing of it. Finally, be alert to requests for personal information. If a communication seems odd, trust your instincts.

The importance of securing your family's personal information cannot be overemphasized. You may not be able to keep every device you own from being hacked, but you can take proactive steps to minimize risks. You can find additional tips on securing your home network at staysafeonline.org. Protecting your personal and financial information is our top priority. If you would like more information about the safeguards we have in place to protect your identity, please contact our office.



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* The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. The Dow Jones Industrial Average is a price-weighted index of 30 actively traded blue-chip stocks. NASDAQ Composite Index is an unmanaged, market-weighted index of all over-the-counter common stocks traded on the National Association of Securities Dealers Automated Quotation System. The Morgan Stanley Capital International Europe, Australia and Far East Index (MSCI EAFE Index) is a widely recognized benchmark of non-U.S. stock markets. It is an unmanaged index composed of a sample of companies representative of the market structure of 20 European and Pacific Basin countries and includes reinvestment of all dividends. Barclays Capital Aggregate Bond Index is an unmanaged index comprised of U.S. investment-grade, fixed-rate bond market securities, including government, government agency, corporate and mortgage-backed securities between one and 10 years. Written by Securities America. SAI# 1414797.1