

# WEEKLY MARKET COMMENTARY

For the Week of Feb. 9, 2015

## THE MARKETS

Stocks fell on Friday over concerns the Federal Reserve might raise interest rates by midyear after the release of a better-than-expected jobs report. Still all major indexes posted strong gains for the week after nonfarm payrolls increased and wages rebounded. For the week, the Dow rose 3.93 percent to close at 17,824.29. The S&P gained 3.12 percent to finish at 2,055.47 and the NASDAQ climbed 2.36 percent to end the week at 4,744.40.

Returns Through 02/06/15	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	3.93	0.21	16.73	14.38	15.16
NASDAQ Composite (PR)	2.36	0.18	16.94	17.80	17.25
S&P 500 (TR)	3.12	0.02	18.29	17.71	16.47
Barclays US Agg Bond (TR)	-1.00	1.07	5.62	2.79	4.29
MSCI EAFE (TR)	1.66	2.16	1.52	8.89	7.59

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.

**In and Out** — Over the past 50 years (1965-2014), U.S. tax receipts have averaged 17.4 percent of the size of the economy, while outlays have averaged 20.1 percent of the size of the economy (source: Congressional Budget Office, BTN Research).

**First Quarter** — Over the past 25 years (1990-2014), the S&P 500 has gained 1.92 percent (total return) during the first quarter (January-February-March), a total that represents 20 percent of the index's 25-year average annual return of 9.62 percent. Fifty-four percent of the index's gains have been achieved during the fourth quarter (October-November-December) over the past 25 years (source: BTN Research).

**Over the Next Decade** — The Congressional Budget Office (CBO) estimates that over the next 10 fiscal years (i.e., 2016-2025) the United States will take in \$41.7 trillion of tax revenue but spend \$49.3 trillion, i.e., a deficit of \$7.6 trillion (source: CBO, BTN Research).

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## WEEKLY FOCUS – Learn from the TurboTax Probe: Protect Yourself This Tax Season

It's that time of year again, when you start gathering for your accountant all the tax paperwork that has been trickling in over the past month. But what do you do when you suddenly realize something is missing? The obvious answer would be to call around and ask why it may not have been sent to you in the first place, but you could soon find yourself in the middle of a much larger issue. Unfortunately for taxpayers, the tax season is a prime time for mail thieves and fraudsters looking to steal your most valuable personal information.

Last week TurboTax software temporarily stopped accepting e-filed tax returns after the company grew concerned that criminals were using stolen tax payer identity information to file fake returns and collect refunds. At first the company was concerned there had been a security breach, and instead identified multiple instances of fraud where, for example, someone had logged into TurboTax to discover a return had already been filed under their name.

W-2s and other tax forms include Social Security numbers, birth dates, addresses and salaries that fraudsters can use to open credit card or bank accounts, apply for loans, make purchases and apply for jobs. Also, with a single W-2 thieves can file their own tax return, potentially receiving a refund deposited into their own bank account within days – as was the case with TurboTax. And even if you receive your W-2s electronically, you are not necessarily safe from thieves either. By using spyware software, thieves can gather information from your computer without your knowledge and can record everything you enter online.

To prevent tax-time thefts, access your electronic tax information only on trusted computers that are secured with anti-spyware software. Also, you should print, burn to a CD or transfer sensitive information to a USB drive and remove it from the hard drive of your computer or laptop immediately after use. Securing all crucial information in your home, preferably in a locked location, will help prevent thieves from accessing it. Make sure to check your courier mail daily and as soon as possible after delivery. If you plan to be on vacation, place your mail on hold, rent a post office box or ask a trusted friend to pick up your mail for you.

Protecting your personal information is important to us. We will never send confidential information such as account numbers, balances or statements to you by unsecured e-mail. If you would like more information about identity theft and protecting your confidential and important information, 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. SA#1119425.1