# WEEKLY MARKET COMMENTARY

**For the Week of Feb. 23, 2015**

## THE MARKETS

Markets rose on Friday after reports that Greece had reached a deal with its creditors to avoid bankruptcy. The rally pushed the S&P 500 to its third record close of the year and the Dow to its first record close of 2015. The NASDAQ also climbed to within 50 points of a 5,000 point milestone and closer to its March 2000 all-time high. For the week, the Dow rose 0.72 percent to close at 18,140.44. The S&P gained 0.68 percent to finish at 2,110.30 and the NASDAQ climbed 1.27 percent to end the week at 4,955.97.

| Returns Through 02/20/15 | 1 Week | YTD | 1 Year | 3 Year | 5 Year |
|---|---|---|---|---|---|
| Dow Jones Industrials (TR) | 0.72 | 2.20 | 15.11 | 14.73 | 14.67 |
| NASDAQ Composite (PR) | 1.27 | 4.64 | 16.13 | 18.85 | 17.17 |
| S&P 500 (TR) | 0.68 | 2.82 | 17.08 | 18.25 | 16.15 |
| Barclays US Agg Bond (TR) | -0.35 | 0.48 | 4.99 | 2.66 | 4.34 |
| MSCI EAFE (TR) | 1.55 | 5.35 | 0.39 | 8.99 | 7.66 |

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.

**Impact on the Economy** — The building of an average single family home creates the equivalent of 2.97 jobs for a full year. The building of an average rental apartment creates the equivalent of 1.13 jobs for a full year (source: National Association of Home Builders, BTN Research).

**How Do You Like Me So Far?** — As of the Friday close before the Presidents' Day holiday a year ago (2014), the S&P 500 was down 0.3 percent YTD (total return) on its way to a full-year 2014 gain of 13.7 percent. As of Feb. 13, 2015, the S&P 500 was up 2.1 percent YTD (source: BTN Research).

**Come to Work** — U.S. employers added 1.009 million new workers (i.e., a net number of those hired less individuals that were laid off) over the past three months (November-December-January), the largest three-month gain since 1.159 million were hired over the three months ending November 1997 (source: Department of Labor, BTN Research).

## WEEKLY FOCUS – Common Money Wasters to Avoid

Living on a budget isn’t ideal, but having unlimited funds isn’t likely either. You need to balance your spending habits with the income you have to afford the lifestyle you desire – both today and tomorrow. The average worker today will make more than $1.5 million during their working career, and those with higher education degrees can nearly double or even triple that amount easily. While some employees have learned to save part of their income appropriately for retirement, a great deal of income is still spent frivolously, virtually disappearing without a trace.

“When you think about how much of that is wasted, it will take your breath away, or make you seriously depressed for what might have been,” wrote Liz Davidson for *Forbes.* Davidson cautions workers to avoid some of these most common money wasters:

**Sports Equipment and Unused Gym Memberships:** New Year’s resolutions lead many workers to join gyms, and while $40 a month doesn’t sound like a large amount, it easily adds up to nearly $500 a year. That’s $500 wasted if you don’t go but keep your contract or membership active. To avoid this, other workers will spend hundreds – even thousands – of dollars on their own sports equipment including bicycles, weights, home gyms and treadmills that often turn into clothes racks and collect dust in the basement. If you go to the gym or use your equipment at least three times a week, then you’re probably getting your money’s worth. Otherwise, avoid the sales gimmicks, borrow bikes or other equipment and exercise outdoors until you know you can make the commitment.

**Luxury Vehicles:** These high-expense vehicles may look nice, but cost upwards of $25,000 before insurance, taxes and licensing; especially if purchased brand new. New vehicles depreciate in value the second they are driven off the lot. Instead, buy a quality used vehicle, even one that is just two years old, and save at least a couple thousand dollars and lower your insurance premiums.

**High-Tech Gadgets:** As TVs and computers have decreased is thickness, they’ve increased in picture quality, capabilities and cost. High-definition, smart TVs with large but flat (or now curved) screens are top sellers, but they also carry high price tags of a couple thousand dollars. Same goes for laptops and tablets. Consolidating your gadgets is key to not being wasteful. Do you really need a laptop, a tablet, a GPS, a music player, a smart phone and a desktop computer? Find one or two gadgets that can do everything and utilize them more efficiently. You probably also don’t need a TV with a complete surround sound system for every room. Decide where your priorities lie and save on the non-essentials.

Other money wasters Davidson warns about include RVs, ATVs, boats, rebates, cable TV and more. If these temptations are avoided and the costs invested instead, a worker today could generate potentially hundreds of thousands of dollars for retirement later. If you would like to review your spending to identify potential money wasters, contact our office today.

WEALTH HAPPENS.

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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#1132121.1