

WEEKLY MARKET COMMENTARY

For the Week of April 6, 2015

THE MARKETS

Stocks rose Thursday after two days of declines, ending the short week with modest gains after the release of encouraging labor market data. U.S. markets were closed April 3 in observation of Good Friday. For the week, the Dow rose 0.51 percent to close at 17,763.24. The S&P gained 0.58 percent to finish at 2,066.96 and the NASDAQ climbed 0.48 percent to end the week at 4,886.94.

Returns Through 04/02/15	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	0.51	0.27	9.70	13.01	13.07
NASDAQ Composite (PR)	0.48	3.19	14.28	16.14	15.26
S&P 500 (TR)	0.58	0.92	11.57	15.81	14.29
Barclays US Agg Bond (TR)	0.56	2.05	6.41	3.34	4.61
MSCI EAFE (TR)	0.19	6.25	-0.11	9.35	6.16

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.

Larger Levels Of Debt — The ratio of household debt (i.e., home mortgages, auto loans, credit card debt, student loans) to personal income was 31 percent in 1952, 81 percent in 2000, peaked at 120 percent in 2008, but has fallen back to 96 percent today (source: Federal Reserve Bank of St. Luis, BTN Research).

Borrow to Learn — Forty million Americans (i.e., 12.5 percent of our population of 321 million) have student debt totaling \$1.16 trillion, an average of \$29,000 each (source: Federal Reserve Bank of New York, BTN Research).

April Rocks — The S&P 500 has averaged a gain of 1.74 percent (total return) during the month of April over the past 25 years (i.e., 1990-2014), ranking April as the second best performing month during that period. The month of December, up 1.96 percent on average, is the top performing month. The month of August, down 0.70 percent on average, has been the worst performing month (source: BTN Research).

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Page 2 of 2

WEEKLY FOCUS – National Financial Literacy Month

In 2004 the Senate officially began to recognize April as National Financial Literacy Month, a month dedicated to raising awareness about financial illiteracy and promoting financial education events across the country.

According to a Harris Interactive 2014 Consumer Financial Literacy Survey prepared for the National Foundation for Credit Counseling, many adults (41 percent in 2014) give themselves a grade C, D or F on their knowledge of personal finance, marking a statistically significant change from 2010, when as many as nearly two in three adults (65 percent) gave themselves an A or B.

The survey found that most U.S. adults continue to learn about personal finance primarily from their parents or at home (28 percent), yet nearly three in four adults (73 percent) agree – and more than one in four (27 percent) *strongly* agree – that they could benefit from additional advice and answers to everyday financial questions from a professional.

The study also found that 61 percent of U.S. adults admit to not having a budget – the highest percentage in six years. Even as technology continues to make it easier for consumers to track their income and spending habits, many continue to choose not to do so. According to the National Foundation for Credit Counseling, this could explain why 34 percent of adults indicate carrying credit card debt from month-to-month with 15 percent rolling over \$2,500 or more monthly.

Though more than half of adults (55 percent) say they are saving the same as last year, the proportion who have non-retirement savings has decreased slightly from 69 percent in 2013 to 66 percent in 2014. In addition the proportion of adults who are spending less when compared to the previous year continues to decline, suggesting that, although consumers are uncomfortable with their lack of savings, they have nonetheless continually increased their year-over-year spending. Still the two greatest financial concerns were having “insufficient ‘rainy day’ savings for an emergency” and “retiring without having enough money set aside.” In fact, 32 percent of adults reported not having any portion of their annual income saved for their retirement.

With proper knowledge, advanced planning and professional guidance, you can ensure future generations of your family are financially literate and aware of all options available to them. Take advantage of Financial Literacy Month. Contact our office today for a review and update of your financial position, retirement plans and estate plans, or to make an appointment with your children or grandchildren to help increase their financial literacy.



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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#1165447.1