

# WEEKLY MARKET COMMENTARY

For the Week of April 13, 2015

## THE MARKETS

U.S. stocks rose on Friday in a broad rally, wrapping up a strong week. General Electric stock led the rally with its biggest one-day jump since March 2009, helping both the S&P 500 and the Dow record a second straight week of gains. For the week, the Dow rose 1.68 percent to close at 18,057.65. The S&P gained 1.74 percent to finish at 2,102.06 and the NASDAQ climbed 2.23 percent to end the week at 4,995.98.

Returns Through 04/10/15	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	1.68	1.95	14.28	15.21	13.29
NASDAQ Composite (PR)	2.23	5.49	23.23	18.65	15.28
S&P 500 (TR)	1.74	2.68	17.03	18.16	14.36
Barclays US Agg Bond (TR)	-0.40	1.65	4.99	2.85	4.44
MSCI EAFE (TR)	1.56	7.91	1.63	11.78	6.42

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.

**Little Wiggle Room** — Of 1,035 American adults surveyed, 47 percent admit that they would extinguish their existing emergency savings in 90 days or less (source: NeighborWorks America, BTN Research).

**Good Move** — The personal savings rate in the U.S. was 5.8 percent as of Feb. 28, 2015. The personal savings rate in the U.S. was 0.8 percent as of April 30, 2005, a record low in the country. The rate is defined as "savings" (i.e., after-tax income less consumption spending) divided by after-tax income (source: Department of Commerce, BTN Research).

**When Interest Rates Go Up** — The last time the Federal Reserve began a series of interest rate hikes was almost 11 years ago. Over the two-year period from June 30, 2004, to June 29, 2006, the Federal Reserve raised short-term interest rates 17 times. The S&P 500 gained 15.5 percent (total return) over the two-years beginning June 30, 2004, i.e., aggregate total return for the two-year period, not per year (source: BTN Research).

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## WEEKLY FOCUS – Making Your Retirement Living Plans

Planning for retirement can be challenging, and no matter how detailed your retirement plan is, unexpected events may occur that could force you to change those plans. The best way to prepare for retirement is to map out your perfect plan, as well as a couple back-up plans.

Living arrangements, for example, is one area often subject to change in retirement. While your perfect plan might include you living in the house you live in now for your entire life, what would you do if you or your spouse becomes disabled? What if your spouse dies? What if you cannot live without assistance?

Because all of these things are possible, it is important to have a multitude of plan options for different retirement scenarios in conjunction with your ideal situation. Three different living options retirees may consider include senior co-housing, university-based retirement communities and continuing-care retirement communities (CCRCs) without walls.

Senior co-housing communities are clusters of 20 to 60 single-family houses gathered near a central home or building. Each person owns their own home, but they are also contractually obligated to pay monthly dues for a house all members share. Community members meet to decide how to spend the dues and use the common building for community meals and gatherings.

Unlike more traditional retirement communities that are built near golf courses or beaches, university-based retirement communities are developed about a mile from a university and offer active and intellectual opportunities by granting seniors access to classes and events in addition to the traditional amenities of CCRCs.

CCRCs without walls work with seniors wishing to stay in their own homes. A pricier option, they offer health care and home maintenance in your home, while also supplying you transportation to area events and appointments.

These are just three different examples to explore when mapping out your retirement housing options. While one may sound more beneficial for you than the others, not all models will work for everyone – especially given health considerations – which is why it is important to explore all the options available and have back-up plans in place. Whether you are still planning for retirement, or are already in retirement, we can help you take a closer look at different living options that can work for you.



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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#1172199.1