

# WEEKLY MARKET COMMENTARY

For the Week of April 14, 2014

## THE MARKETS

U.S. stocks fell after a volatile session on Friday after an accelerated selloff of biotech and other momentum stocks. Disappointing earnings by JPMorgan also caused investors to sell. All three major indexes fell for the week, with the NASDAQ dropping below 4,000 for the first time since early February. For the week, the Dow fell 2.31 percent to close at 16,026.75. The S&P lost 2.60 percent to finish at 1,815.69 and the NASDAQ dropped 3.10 percent to end the week at 3,999.73.

| Returns Through 04/11/14   | 1 Week | YTD   | 1 Year | 3 Year | 5 Year |
|----------------------------|--------|-------|--------|--------|--------|
| Dow Jones Industrials (TR) | -2.31  | -2.70 | 10.44  | 11.86  | 17.78  |
| NASDAQ Composite (PR)      | -3.10  | -4.23 | 21.20  | 13.01  | 19.34  |
| S&P 500 (TR)               | -2.60  | -1.19 | 16.38  | 13.54  | 18.71  |
| Barclays US Agg Bond (TR)  | 0.65   | 2.64  | 0.17   | 4.11   | 4.99   |
| MSCI EAFE (TR)             | -1.81  | -0.26 | 13.00  | 6.06   | 14.31  |

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.

**Triple** — The total market capitalization of the U.S. stock market was \$22.9 trillion as of March 31, 2014. At its bear market low on March 9, 2009, the total market capitalization was \$8 trillion (source: BTN Research).

**With And Without A Degree** — The nation's unemployment rate as of March 31, 2014, for Americans lacking a high school diploma is 9.6 percent. The nation's unemployment rate as of March 31, 2014, for Americans with at least a Bachelor's degree is 3.4 percent. The nation's overall unemployment rate is 6.7 percent (source: Department of Labor, BTN Research).

**Next Year** — The enrollment period for 2015 health insurance coverage obtained either through the federal exchange or through an individual state-run exchange will begin on Nov. 15, 2014. Health insurance companies will submit proposed 2015 premiums to state regulators by early summer 2014 (source: Affordable Care Act, BTN Research).

# WEEKLY MARKET COMMENTARY

Page 2 of 2

## WEEKLY FOCUS – Dividing Assets In A Divorce

Few times of crisis require immediate, clear-headed financial thinking like a divorce. From the time of the split to the signing of the settlement, both parties will face making those decisions in a whole new context – alone and with an adversary. In even the most amicable split, the decisions about who gets what can come with emotional baggage.

Knowledge, as Sir Francis Bacon wrote in the 16th century, is power, so arm yourself by gathering every detail of information on your finances. Request your credit report – you are entitled to one free copy a year from the three major reporting agencies – and check what you and your spouse owe. Open individual bank, credit card and brokerage accounts. Close all joint accounts – a sometimes tricky task if those accounts are sizable. Your attorney can help make sure you get your share of liquid assets.

At some point, one or both of you will leave the family home. This can be the most agonizing split because of the emotional bonds the home represents. Remember that home ownership involves a great deal more financial obligation than just a mortgage payment. The partner who gets the house also gets the taxes, the utilities, the upkeep and the payments to the spouse being bought out – all on one salary instead of two, or on no salary at all if the spouse has stayed at home.

If your assets as a couple include investments, a business or items like antiques or collectibles, you'll need a clear view of their value as well as any hidden costs. On investments, for example, you will pay taxes on capital gains from sales, and those gains can vary depending on the purchase price, or cost basis. You may need the help of an investment professional, appraiser or forensic accountant to ensure that what looks fair on paper will be fair when the settlement is finalized and, down the road, when assets are liquidated.

There's no single best way to split assets during a divorce. Your best defenses are to be informed about your assets and liabilities and to select a team of trusted professionals to help you weigh the pros and cons of different options. If you or a loved one faces a divorce, our office can assist in evaluating investments and making adjustments for the future. We will gladly work with attorneys and accountants to ensure you or your loved one has the information you need. Call our office to schedule an appointment.



This commentary brought to you by:

### Davidson Financial Services

Anthony A Davidson, Investment Advisor Representative  
1795 Alysheba Way Suite 3101 Lexington, KY 40509  
859-245-5880 fax: 859-245-7007

[anthony@wealthhappens.net](mailto:anthony@wealthhappens.net) [www.wealthhappens.net](http://www.wealthhappens.net)

Securities offered through Securities America, Inc., Financial Advisor Member FINRA/SIPC. Advisory services offered through Securities America Advisors, Inc. Davidson Financial Services and the Securities America companies are unaffiliated.

\* 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#902769