

WEEKLY MARKET COMMENTARY

For the Week of August 10, 2015

THE MARKETS

Wall Street traders sold shares Friday, causing stock prices to drop, as signs of an improving economy fueled speculation the Federal Reserve will raise interest rates as early as September. The U.S. Labor Department reported employers added 215,000 jobs last month. For the week, the Dow fell 1.65 percent to close at 17,373.38. The S&P lost 1.18 percent to finish at 2,077.57 and the NASDAQ dropped 1.65 percent to end the week at 5,043.54

Returns Through 08/07/15	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-1.65	-1.10	8.71	12.44	13.12
NASDAQ Composite (PR)	-1.65	6.49	16.35	18.70	17.12
S&P 500 (TR)	-1.18	2.14	11.04	16.48	15.54
Barclays US Agg Bond (TR)	0.06	0.65	2.35	1.76	3.23
MSCI EAFE (TR)	-0.54	7.13	1.73	11.14	7.20

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.

Keys Please — Even though the number of homes repossessed by lenders during the first six months of 2015 (209,281) is an increase of 20 percent over the number of homes repossessed during the first half of 2014 (174,691), the 2015 total is 60 percent less than the number repossessed in the first half of 2010 (527,906) (source: RealtyTrac, BTN Research).

Best This Year — The # 1 performing individual stock within the S&P 500 during the first seven months of 2015 has gained 134.2 percent. That same stock lost 7.2 percent in 2014, ranking #430 of 500 stocks (source: BTN Research).

Time in the Stock Market — If you selected any single month at random to invest in the S&P 500 (at the close of the prior month) during the 25 years ending June 30, 2015, you achieved a positive total return 65 percent of the time. If you extend your investment time horizon to just one year, you achieved a positive total return 82 percent of the time. If your time horizon was two years, you achieved a positive total return 80 percent of the time (source: BTN Research).

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WEEKLY FOCUS – Health Care Changes on the Horizon

The length and complexity of the Affordable Care Act make it difficult to foresee all the implications of each of its phases, but recent media coverage has highlighted a few impacts consumers may experience in the not-too-distant future.

Based on information published by the White House in June, some individual policy purchasers on public exchanges may see significant premium increases in 2016. Citing greater prescription prices and higher-than-expected care costs from new enrollees under the health care reform law, health insurance companies around the country are seeking rate increases as high as 20 to 40 percent, and in some cases, even more.

Ultimately, premiums may not go up that dramatically since regulators in many states have the power to reject price increases, and other states may pressure insurers to scale back requested hikes. Final rates on specific plans should be available in early October, giving individuals in the public exchange a window to shop for the best deal.

Some Americans who get health insurance through their employers may also see changes to their plans as companies seek to avoid the excise tax on so-called “Cadillac” health plans set to go into effect in 2018. Under this part of the legislation, employers will incur a 40 percent non-deductible tax on annual health care coverage that exceeds predetermined threshold amounts. Currently, those thresholds are \$10,200 for individual coverage (combined contributions made by employers and employees) and \$27,500 for family coverage. The figures will be updated when final regulations are issued and will be indexed for inflation in future years.

Some companies have already scaled back health benefits or increased workers’ deductibles and copays. An increasing number are offering private health insurance exchanges that allow employees to choose from a variety of health plans. According to Towers Watson, 17 percent of employers view private exchanges as a viable alternative in 2016. Thirty-seven percent of employers see them as a possible option by 2018.

Planning for health care expenses has never been more important. Whether you’re retired or still working, we can help you find the best vehicles to put money aside for health care.



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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#1270394.1