

WEEKLY MARKET COMMENTARY

For the Week of Oct. 20, 2014

THE MARKETS

Stocks rose on Friday, leading the S&P 500 to post its biggest one-day gain since Oct. 8, as worries over U.S. earnings eased. Still the rally wasn't enough to offset losses earlier in the week caused by global economic concerns and the spread of the Ebola virus. The S&P 500 posted its fourth straight week of declines, its longest streak since August 2011. For the week, the Dow fell 0.96 percent to close at 16,380.41. The S&P lost 1.00 percent to finish at 1,886.76 and the NASDAQ dropped 0.42 percent to end the week at 4,258.44.

Returns Through 10/17/14	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-0.96	0.62	9.02	15.77	13.29
NASDAQ Composite (PR)	-0.42	1.96	10.23	17.65	14.57
S&P 500 (TR)	-1.00	3.73	11.11	18.80	14.03
Barclays US Agg Bond (TR)	0.45	5.61	4.94	3.10	4.42
MSCI EAFE (TR)	-0.65	-7.16	-4.28	9.14	4.83

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.

Put It on the Card — Total credit card debt in the U.S. as of Aug. 31, 2014, was \$880.3 billion, an average of \$7,828 of credit card debt for every household in the nation (source: Federal Reserve, BTN Research).

In Their Mid-Thirties — Former college students take 13.4 years to pay off their student loans, i.e., an average 22-year-old graduating senior with student loans will be almost 35 ½ years old before being debt-free of student loans (source: Brookings Institution, BTN Research).

Help Wanted — There were 4.835 million job openings in the nation as of Aug. 31, 2014, the highest level of job openings in the country since January 2001. One year earlier (Aug. 31, 2013), there were 3.883 million job openings nationwide (source: Department of Labor, BTN Research).

WEEKLY FOCUS – Gifting To Reduce Your Taxable Estate

If you're like most Americans, you like to give gifts nearly as much as you like to receive them. Luckily, if you're serious about estate planning there's a handy technique called gifting that can potentially save your family, friends and heirs a lot of money on estate taxes in the future.

With gifting, you not only benefit yourself, you potentially save future generations from a heavy tax burden. In addition to a reduction in taxes, by reducing the size of your estate, you generally reduce the amount of probate costs and legal fees which can often eat away much of your estate. So what exactly is gifting?

Gifting is exactly what it sounds like: a gift. It's a gift that can be given to a spouse, a family member or a friend. It's a technique that has been used frequently by people to reduce the value of their estate and can be done several ways.

For 2014, each person in the U.S. can give assets or property of up to \$14,000 a year per recipient. That amount applies to each individual they gift to. This gift can be given to basically anyone without paying any gift taxes, as long as the amount gifted stays under the limit. You can give gifts, tax-free, to as many people as you wish. You can also gift an unlimited amount of property to charity and your spouse.

There are a great many details involving taxes and gifting that remain to be seen. The tax laws and regulations can get extremely complicated, which is why estate planning is best left up to professionals. But the main idea remains, gifting can probably save your estate and your heirs' money in the long run.

Gifting is simply one of the many convenient ways to leave a legacy that remembers your life for its accomplishments instead of courtroom battles. If you are contemplating gifting, or establishing an estate plan, contact our office today. We can work with your estate planning attorney and tax professional to take advantage of tax savings and choose the way you want to be remembered – which is truly a gift that will keep on giving.



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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#1040331.1