

# WEEKLY MARKET COMMENTARY

For the Week of October 26, 2015

## THE MARKETS

U.S. stocks rose sharply Thursday and Friday, led by a rally in tech shares. The advances brought the S&P 500 into positive territory for the year. Other encouraging news included a rebound in healthcare shares and another rate cut in China. For the week, the Dow rose 2.56 percent to close at 17,646.70. The S&P gained 2.09 percent to finish at 2,075.15, and the NASDAQ climbed 2.97 percent to end the week at 5,031.86.

Returns Through 10/23/15	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	2.56	0.95	8.40	13.16	12.46
NASDAQ Composite (PR)	2.97	6.25	13.00	18.94	15.21
S&P 500 (TR)	2.09	2.47	8.60	16.09	14.29
Barclays US Agg Bond (TR)	-0.09	1.47	2.07	1.85	3.09
MSCI EAFE (TR)	0.83	2.44	2.60	8.22	4.78

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.

**Most Ever** — Tax receipts during fiscal year 2015 (i.e., the 12 months ending Sept. 30, 2015) were \$3.249 trillion. Individual income taxes accounted for \$1.541 trillion, the most 1040 taxes ever collected by the IRS during a single tax year. Individual income taxes were \$899 billion just five years ago during fiscal year 2010 (source: IRS, BTN Research).

**Annual Deficit and National Debt** — During fiscal year 2015 (the 12 months ending Sept. 30, 2015), the United States had a \$438.90 billion budget deficit. During fiscal year 2015, the United States increased its national debt by \$326.55 billion to \$18.151 trillion (source: Treasury Department, BTN Research).

**Up for the Year** — In spite of tumbling 20.5 percent on a single trading day on Monday, Oct. 19, 1987 (28 years ago last Monday), the S&P 500 gained 5.3 percent (total return) for the entire 1987 calendar year (source: BTN Research).

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## WEEKLY FOCUS – Money Moves to Make Now

The final months of the year are a good time to evaluate your financial situation and consider moves that could provide future payoffs or savings on your 2015 tax return. Begin by reviewing where your money went this year, determining what spending could be reduced and setting savings goals for 2016.

Next, take a focused look at recent health expenses to see if another insurance plan would better suit your needs. If you've met your deductible, it's a good time to schedule doctors' appointments, procedures or surgeries you've been putting off. If you have a flexible spending account that doesn't include a grace period or carry over option, be sure to use any leftover funds by the end of the year. Then evaluate other types of insurance policies. Do you have adequate life and disability coverage? An umbrella liability policy? What about long-term care?

Review your investments' performance over the past months to decide if you need to rebalance your portfolio. If you are over 70 ½ years of age, make sure you take your required minimum distribution from your 401k or traditional IRA before year's end to avoid paying a penalty. (Roth IRAs do not require distributions during the owner's life.) If you're still working, check to see if you've maximized contributions to your retirement accounts. Deposits to your 401k, 403b, 457 or traditional IRA may reduce this year's IRS bill. Adding money to a Roth IRA may be a better move if you expect significant income in your retirement years.

Forecast your taxable income to see if your withholding should be increased to avoid an underpayment penalty or whether you need to come up with additional deductions. If you achieved big capital gains, you might reduce your tax liability by selling some stocks that are trading below what you paid for them (especially if you think they won't turn around). If you plan to itemize, you might want to make extra charitable donations before the end of the year. If you're a parent or grandparent of college-bound children, consider adding to their 529 plan. Although these contributions aren't deductible on your federal taxes, they will grow tax-deferred. And many states offer deductions or credits for them.

We're committed to helping you save and achieve your financial goals. Call our office for a comprehensive review of your investments, insurance and expenses.

*Securities America and its representatives do not provide tax advice; therefore it is important to coordinate with your tax advisor regarding your specific situation.*



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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# 1334918.1