

WEEKLY MARKET COMMENTARY

For the Week of Nov. 24, 2014

THE MARKETS

U.S. stocks rose on Friday pushing major indexes to a fifth straight week of gains after the central bank of China lowered its benchmark interest rate and the European Central Bank began making asset purchases to help revive the economy. For the week, the Dow rose 1.06 percent to close at 17,810.06. The S&P gained 1.21 percent to finish at 2,063.50 and the NASDAQ climbed 0.52 percent to end the week at 4,712.97.

Returns Through 11/21/14	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	1.06	9.73	13.89	18.52	14.45
NASDAQ Composite (PR)	0.52	12.84	18.74	23.15	17.04
S&P 500 (TR)	1.21	13.71	17.29	22.66	16.00
Barclays US Agg Bond (TR)	0.09	5.29	4.87	2.71	4.13
MSCI EAFE (TR)	1.03	-1.96	0.72	13.64	6.33

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.

The Last Month — Of the past 24 Decembers, 21 have produced a positive total return for the S&P 500. The average December performance since 1990 is a gain of 2 percent, the best of any month (source: BTN Research).

Jump On — Five days before the current bull market began in March 2009, only 18.9 percent of individual investors were "bullish" on U.S. stocks. Last week, 57.9 percent of individual investors were "bullish" (source: AAll, BTN Research).

One Thousand Dollars a Month — The U.S. government projects it will spend \$944 per month on each Medicare beneficiary during 2014. Due to shorter hospital stays and fewer hospital readmissions, the federal cost per beneficiary is expected to increase just 10 percent to \$1,040 per month in five years (2019). There are currently 52 million Medicare beneficiaries (source: Congressional Budget Office, BTN Research).

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WEEKLY FOCUS – Preventing Holiday Overspending

According to a preliminary Thanksgiving weekend shopping survey by the National Retail Federation, more than 140 million people plan to shop over the upcoming holiday weekend (Thursday, Friday, Saturday and Sunday), making it the biggest shopping weekend of the year. And while more and more stores are opting to open Thanksgiving Day, it seems Black Friday will still be the main day consumers plan to do the majority of their shopping. For the second year in a row, the NRF asked if people plan to shop on Thanksgiving Day, and only 18.3 percent (25.6 million) said they do; down from nearly one-quarter (23.5 percent or 33 million) who planned on shopping on the holiday last year.

If you plan to start your holiday shopping soon, having a plan ahead of time can help you prevent overspending. Start with a total you can afford to spend, a list of people you would like to give gifts and a dollar limit for each person. Don't forget service people like the mailman, dog groomer, hair dresser, lawn service and maid service. Also factor in any gifts that your children or your spouse need to give, including teachers and administrative assistants.

Total your planned expenses. If your total is higher than what you planned, you should either drop some people or drop some amounts until you get within your budget. Be sure to take a list with you while shopping and update it frequently, so you don't forget what you've already purchased. If you've had problems with overspending before, consider putting your total cash in an envelope and using only that cash for gifts. Or, set aside a credit card specifically for gift purchases and check your total online frequently.

When it comes to the children, grandchildren, nieces and nephews, consider whether they will be getting gifts from multiple sets of grandparents, aunts and uncles. A few people buying multiple presents for one child can quickly become an explosion of overspending. Consider setting a family limit, either dollar amount or number of gifts.

Having a goal and a plan for achieving it applies to many areas of your finances, from holiday spending to college funding and retirement planning. Our office is a resource for your financial needs. Call us for assistance when you need to create or update a plan for achieving a financial goal.



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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# 1066490.1