

WEEKLY MARKET COMMENTARY

For the Week of Dec. 23, 2013

THE MARKETS

Stocks rose Friday on unexpectedly strong economic data and increased consumer confidence, pushing the markets to post their best week in months. Both the Dow and the S&P 500 closed Friday at record highs. For the week, the Dow rose 2.97 percent to close at 16,221.14. The S&P gained 2.44 percent to finish at 1,818.32 and the NASDAQ climbed 2.59 percent to end the week at 4,104.74.

| Returns Through 12/20/13 | 1 Week | YTD | 1 Year | 3 Year | 5 Year |
|----------------------------|--------|-------|--------|--------|--------|
| Dow Jones Industrials (TR) | 2.97 | 26.87 | 24.89 | 15.21 | 16.77 |
| NASDAQ Composite (PR) | 2.59 | 35.94 | 34.56 | 15.71 | 21.28 |
| S&P 500 (TR) | 2.44 | 30.16 | 28.65 | 15.87 | 17.98 |
| Barclays US Agg Bond (TR) | 0.10 | -1.72 | -1.48 | 3.52 | 4.54 |
| MSCI EAFE (TR) | 2.57 | 19.49 | 18.59 | 7.94 | 12.06 |

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.

Stock Quarters – Since 1990, the fourth quarter (October-November-December) has produced an average total return (a gain of 5 percent) for the S&P 500 that is greater than the average total return (a gain of 3.4 percent) of the other three quarters combined (source: BTN Research).

What Keeps You Up At Night? – More than three out of every five Americans surveyed (61 percent) between the ages of 44-75 fear running out of money during their retirement years more than they fear death (source: Allianz, BTN Research).

So Far, So Good – Four out of every five American males (80 percent) that reach age 65 as a healthy individual are expected to spend the remainder of their lives without suffering a disability (source: Society of Actuaries, BTN Research).

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Page 2 of 2

WEEKLY FOCUS – Keep Your Identity Secure in an Unsecure World

Anger, frustration and fear followed the alarming news that 40 million holiday shoppers may have had their credit card information compromised. While that story stole headlines, additional stories show the depth of the problem. Over the summer, a university data breach may have exposed personal information from more than 6,000 current and former employees, vendors and students. An insurance company mailed letters in early December that personal information from 800,000 members was on two unencrypted laptops stolen from their headquarters.

The Federal Trade Commission (FTC) reported \$1.52 billion in fraud complaints from identity theft and other scams in 2011. Being vigilant, monitoring your accounts and taking proactive steps can make you less vulnerable to those who want your information.

Protect your devices with secure passwords. Would you leave your home or car unlocked? Not having your Smartphone or computer secured allows thieves to see that they can learn about you. Take it one step further and make sure your passwords are not easy for others to figure out.

Be aware of the dangers of wireless. Wireless networks may not provide as much security as wired Internet connections. Those convenient “hotspots” in airports, hotels, internet cafes, coffee shops and other public places sometimes reduce their security settings for easier user access.

Utilize smarter sharing practices on social media. The standard recommendation of not posting your vacation pictures real time remains. Get home, unpack your luggage then tell the world about the amazing three week cruise. The less known danger of social media is identity thieves looking for personal information you use as a favorite, easy to remember password, including the names of pets, children or grandchildren.

Encrypt your computer. Encrypting your computer means that someone has to have your password (or encryption key) in order to utilize the contents should they get access to your hard drive.

Ask about the security practices of those who handle your information. The FTC recommends before sharing sensitive information at your workplace, a business, your child's school or a doctor's office, ask why they need it, how they will safeguard it, and the consequences of not sharing.

Protecting your personal information is important to us. For more information on obtaining and monitoring your accounts and credit history, and for tips on protecting your identity, please give our office a call.



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 www.wealthhappens.net

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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#785728