

WEEKLY MARKET COMMENTARY

For the Week of Jan. 12, 2015

THE MARKETS

Markets fell Friday following a two-day rally after the release of jobs data that gave a mixed view of the economy. U.S. nonfarm payrolls rose more than anticipated in December, but wages fell unexpectedly. For the week, the Dow fell 0.49 percent to close at 17,737.37. The S&P lost 0.61 percent to finish at 2,044.81 and the NASDAQ dropped 0.48 percent to end the week at 4,704.07.

Returns Through 01/09/15	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-0.49	-0.41	10.39	15.55	13.70
NASDAQ Composite (PR)	-0.48	-0.68	13.18	20.68	15.21
S&P 500 (TR)	-0.61	-0.63	13.54	19.41	14.69
Barclays US Agg Bond (TR)	0.64	0.87	6.68	2.98	4.52
MSCI EAFE (TR)	-1.86	-2.55	-6.21	10.30	4.31

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.

Oil Prices — The price of oil ended 2013 at \$98.42 a barrel, rose to a 2014 closing high of \$107.26 a barrel on June 20, 2014, then fell dramatically over the remaining six months of the year to finish 2014 at \$53.27 a barrel. That's a 50 percent decrease from its June 20, 2014, peak price and a 46 percent decrease from year-end 2013 (source: CME Group, BTN Research).

From the March 2009 Low — Since dropping to a bear market low on March 9, 2009 (i.e., approximately 70 months ago), the S&P 500 stock index gained 244.2 percent (total return) through the close of trading on Dec. 31, 2014, or an average gain of 1.8 percent per month (source: BTN Research).

For the Year — The S&P 500 was positive on a total return basis during eight of 12 months in calendar year 2014, gaining 13.7 percent for the year. The stock index achieved 53 all-time record closing highs in 2014 in addition to the 45 record closes it set in 2013. The S&P 500 consists of 500 stocks chosen for market size, liquidity and industry group representation. It is a market value weighted index with each stock's weight in the index proportionate to its market value (source: BTN Research).

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WEEKLY FOCUS – The Possibility of Working Past Age 65

Retirement used to be a number – an age really: 65. But the number of Americans who plan to work beyond age 65 continues to increase with almost two-thirds of workers planning to work past retirement age or to never retire – ever, according to a December 2014 survey by Transamerica Center for Retirement Studies. Of those planning to delay, 62 percent cite a need for more income or health insurance, while 34 percent just want to work for the enjoyment of it. As longevity increases, so seems too the desire (or need) for working later in life.

Still, there are concerns about this possibility. Will older employees be physically and mentally capable of work past age 65, and if so will employers let them continue to work? The answer: possibly.

The 2014 Retirement Confidence Survey by the Employee Benefits Research Institute found nearly half of older workers left the workplace earlier than planned, often due to reasons beyond their control. Health problems made up 61 percent of those who were forced to retire early, while another 18 percent left the workforce to provide care for a spouse or another family member.

Also, while many baby boomers hope to ease into retirement with reduced workloads, only 21 percent of workers surveyed by Transamerica believed their employer would support them shifting to part-time hours or less-demanding jobs.

Employers seem to contradict the instincts of their employees. The Transamerica study showed 87 percent of employers thought workers age 50 and older were valuable resources for training and mentoring; 86 percent believe they are an important source of institutional knowledge; 82 percent believe they bring more knowledge, wisdom and life experience than younger workers; and only 4 percent thought older workers were less productive.

The possibility of working into your retirement years is there if you take the appropriate steps needed to stay healthy, keep job skills up-to-date, calculate your retirement needs and have a plan B in case you are forced to retire sooner than expected. Also, communication is key. Talking to your employer about your retirement – or non-retirement – goals early can help increase your possibility chances. We can help you have that conversation and determine when you could and should retire. Contact our office to start discussing your options today.



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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#1095173.1