

WEEKLY MARKET COMMENTARY

For the Week of Jan. 13, 2014

THE MARKETS

Both the S&P 500 and the NASDAQ closed higher on Friday and for the week, while the Dow slipped for its third consecutive declining close. Weaker-than-expected payroll reports stifled gains as U.S. Labor Department data showed only 74,000 workers were hired last month – the smallest increase since January 2011. For the week, the Dow fell 0.15 percent to close at 16,437.05. The S&P gained 0.63 percent to finish at 1,842.37 and the NASDAQ climbed 1.03 percent to end the week at 4,174.66.

Returns Through 01/10/14	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-0.15	-0.77	25.04	15.18	17.00
NASDAQ Composite (PR)	1.03	-0.05	33.73	15.52	21.58
S&P 500 (TR)	0.63	-0.27	27.84	15.68	18.20
Barclays US Agg Bond (TR)	0.67	0.72	-0.98	3.47	4.51
MSCI EAFE (TR)	0.63	-0.26	19.23	8.65	12.05

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.

For The Year – The S&P 500 was positive on a **total return basis** for 10 of 12 months in calendar year 2013, gaining 32.4 percent for the year. The stock index has been positive on a total return basis in 10 of the past 11 years (2003-2013). The one down year that occurred since 2003 was a 37 percent tumble in 2008. 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).

From The March 2009 Low – Since dropping to a bear market low on March 9, 2009, (i.e., approximately 58 months ago), the S&P 500 stock index has gained 202.8 percent (total return) through the close of trading for on Dec. 31, 2013, or an average gain of 1.9 percent per month (source: BTN Research).

Only One Direction To Go – The top-performing stock in the S&P 500 in 2012 (based upon a 188 percent gain for the year) was ranked no. 400 (out of 500 stocks) in 2013 while gaining 12 percent (source: BTN Research).

WEEKLY MARKET COMMENTARY

Page 2 of 2

WEEKLY FOCUS – Together In Retirement, Just Not The Preparation

While couples focus on where to retire and how they will spend life after the workforce, research indicates they are not equally engaged on guiding the financial aspects. The 2013 Fidelity Investments Couples Retirement Study indicated only 43 percent of couples report jointly making investment decisions for retirement.

Nearly half (45 percent) indicated this reflects their current day-to-day financial decision-making. This information did not suggest disconnect between the couples; 92 percent agreed they communicate well, and eight in 10 agreed they are one financial entity.

Even with one partner happily at the helm, it is important for couples to both be comfortable with their financial plans. The one area of concern for the couples was only 28 percent expressed complete confidence regarding either partner's preparedness to assume responsibility of their joint retirement finances, if necessary.

A couples meeting with a financial advisor should never be viewed as a check-up on the partner leading the finances, or a lack of trust, but simply the opportunity to raise awareness of the financial outlook. This meeting presents an opportunity for the advisor to discuss financial matters either partner may have questions about. Topics covered might include expected retirement lifestyle, education funding, savings progress or a portfolio review.

At a time of grief and uncertainty, this can provide a sense of relief to the surviving spouse if he or she has not been the primary decision maker. Schedule a time to come in to review your joint retirement goals and financial plans for 2014.



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

Securities offered through Securities America, Inc., Financial Advisor Member FINRA/SIPC. Advisory services offered through Securities America Advisors, Inc. Davidson Financial Services and the Securities America companies are unaffiliated.

* 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. SA#795576