WEEKLY MARKET COMMENTARY

For the Week of Jan. 27, 2014

THE MARKETS

Stocks dropped on Friday for the second consecutive day after a selloff in emerging market assets. Slow growth out of China and political problems in Turkey, Argentina and Ukraine, contributed to an extensive recoil in equities. The decline caused the S&P 500 to post its worst week since June 2012. The Dow posted its worst week since May 2012, with its steepest weekly drop since November 2011. For the week, the Dow fell 3.50 percent to close at 15,879.11. The S&P lost 2.62 percent to finish at 1,790.29 and the NASDAQ dropped 1.65 percent to end the week at 4,128.17.

Returns Through 01/24/14	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-3.50	-4.10	17.72	12.76	17.65
NASDAQ Composite (PR)	-1.65	-1.16	31.87	14.95	22.82
S&P 500 (TR)	-2.62	-3.06	22.33	13.95	19.12
Barclays US Agg Bond (TR)	0.32	1.19	-0.63	3.69	4.79
MSCI EAFE (TR)	-1.99	-1.76	16.16	6.55	15.34

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.

Bad Decision – Eighty percent of 1,349 individuals surveyed in November 2013 indicated that the worst decision they had made in their lifetime dealt with their personal finances, ahead of poor choices made with regard to marriages, health or job selection (source: National Foundation for Credit Counseling, BTN Research).

Unexpected – Forty-seven percent of retirees left the work force sooner than they expected, oftentimes the result of health issues, disabilities or corporate downsizing. Only 7 percent of those individuals who retired earlier than they anticipated did so for positive reasons, e.g., their retirement accumulation was larger than expected (source: Employee Benefit Research Institute, BTN Research).

The Highest Ever – When all 500 companies report their fourth quarter 2013 earnings, it is anticipated that full year 2013 earnings for the corporations that make up the S&P 500 will total $99.42 per share, an all-time inflation-adjusted year-end record. Earnings results used are defined as "income from continuing operations" (source: S&P, BTN Research).

WEEKLY FOCUS – Prevent Unexpected Job Loss from Derailing Your Retirement Plans

For those near the finish line of their career, the last few years before retirement might seem like more of a formality, a way to keep health insurance, a steady income and enhance the last minute retirement contributions missed in earlier, leaner years. This time is often when the details of retirement plans get finalized.

On the other hand, the initial career years and the following few decades of working offer a path to creating a comfortable lifestyle and setting up the opportunity for financial security in the future. An unexpected job loss at any stage of your career can be unsettling – personally, professionally and financially. Creating a contingency plan can help you address many of the aspects of moving forward while minimizing financial impact.

First, consider taking the time to address feelings of anger, sadness, disappointment or even relief you may be experiencing, so you can avoid making decisions based on emotion. There are also many important financial and lifestyle questions that will arise, and it is important to carefully evaluate how to handle them.

For example if you received severance, how long will that last? What is the process for filing unemployment and does the separation qualify? There is also the need to handle any employer sponsored retirement plans that may be affected. Should you consider taking Social Security benefits and if so, what are the long term implications of filing now? What options do you have before raiding your retirement accounts to cover expenses? Should travel or purchase plans be postponed and for how long?

If you or a loved one have not created a contingency plan for an unexpected job loss, contact our office today to discuss how to minimize the effect on your long-term financial goals. We can offer a comprehensive evaluation of your finances; providing you with the information to help make well-informed decisions on the next steps.

WEALTH HAPPENS.

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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# 805161