

WEEKLY MARKET COMMENTARY

For the Week of Feb. 10, 2014

THE MARKETS

U.S. stocks rallied on Friday, landing the S&P 500 its first weekly gain in four. A disappointing jobs report was overshadowed as the unemployment rate in January hit a five-year low of 6.6 percent. For the week, the Dow rose 0.69 percent to close at 15,794.08. The S&P gained 0.90 percent to finish at 1,797.02 and the NASDAQ climbed 0.54 percent to end the week at 4,125.86.

Returns Through 02/07/14	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	0.69	-4.53	16.07	12.02	16.92
NASDAQ Composite (PR)	0.54	-1.21	30.35	14.01	20.98
S&P 500 (TR)	0.90	-2.59	21.61	13.30	18.18
Barclays US Agg Bond (TR)	0.13	1.61	0.12	4.10	5.03
MSCI EAFE (TR)	0.76	-3.30	14.55	5.37	13.49

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.

Can You Wait? – An individual that has earned income up to the maximum Social Security wage base each year who then waits to take his or her Social Security retirement benefit until age 70 will receive 77 percent more income per month than if he or she had taken a retirement benefit early at age 62 (source: Social Security, BTN Research).

Could You Live On That? – Of the individual income tax returns filed in the U.S. for tax year 2011, 47.8 percent reported less than \$30,000 of adjusted gross income (source: Internal Revenue Service, BTN Research).

Eleven Months To Go – At the end of 2013, (Dec. 16, 2013), 10 Wall Street equity strategists forecasted the closing value of the S&P 500 as of Dec. 31, 2014. The predictions ranged from a low of 1,900 to a high of 2,100, with all 10 predicting that the stock index would rise in 2014 from its Dec. 31, 2013, close of 1,848 (source: Barron's, BTN Research).

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WEEKLY FOCUS – Reviewing Your Retirement Travel Budget

Whether your idea of the perfect vacation is a cruise, a relaxing bed and breakfast getaway or traveling to see family, costs can add up quickly. Those preparing for retirement often place an emphasis on travel as part of their retirement plans, but that does not always factor into their financial retirement planning. For current retirees, traveling more than originally expected can impact long term finances as well.

A 2013 study by the Global Coalition on Aging and the Transamerica Center for Retirement Studies® reported 59 percent of Americans dream of traveling during their retirement, second only to spending time with friends and family (61 percent of those still working and 79 percent of retirees).

Despite the importance placed on travel, just 44 percent have given a retirement travel savings plan any considerable attention and only 15 percent have placed a high priority on saving for travel. The report also noted that less than one in five (18 percent) have specifically factored travel into their financial strategy for retirement.

Travel can be an enjoyable part of retirement, especially since many people put off visiting destinations until that time. Take the time to consider if your itinerary will be several small trips or if you are thinking about more elaborate excursions. Whether you plan to take weekend trips to see grandkids or spend a few weeks enjoying the wonders of another continent, you need to account for both the frequency and the grandeur.

This important conversation is not to deter future or current retirees from enjoying vacations; it is actually to ensure this spending does not have a negative impact down the road, allowing you to enjoy the trips even more. To discuss travel budgeting and other discretionary spending as an element of your overall retirement planning, contact our office to set up a time to review your finances and your goals.



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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#815838