

# WEEKLY MARKET COMMENTARY

For the Week of March 17, 2014

## THE MARKETS

Stocks fell Friday after tensions between Ukraine and Russia escalated ahead of a referendum in Crimea. A fall in producer prices in February brought on by decreasing costs for services, and weakened U.S. consumer sentiment in early March due to the unusually harsh winter also negatively affected the markets. For the week, the Dow lost 2.29 percent to close at 16,065.67. The S&P fell 1.91 percent to finish at 1,841.13 and the NASDAQ dropped 2.09 percent to end the week at 4,245.40.

Returns Through 03/14/14	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-2.29	-2.53	13.21	13.16	20.53
NASDAQ Composite (PR)	-2.09	1.65	30.27	16.27	24.29
S&P 500 (TR)	-1.91	0.07	20.28	14.88	22.05
Barclays US Agg Bond (TR)	0.56	2.01	0.56	3.67	5.08
MSCI EAFE (TR)	-3.06	-2.13	12.93	7.26	17.17

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.

**College Costs** – The cost of tuition, fees, room and board at an average in-state public college has increased 5.8 percent per year over the past 30 years, reaching \$18,391 for the 2013-2014 school year. If college costs had instead risen only by the rate of inflation (using the Consumer Price Index) over the past 30 years (2.9 percent per year), then a year of college would cost \$7,982 during the current school year (source: College Board, Department of Labor).

**Half As Much** – The unemployment rate for individuals that have a bachelor's degree or higher was 3.4 percent as of Feb. 28, 2014, approximately half the national unemployment rate of 6.7 percent (source: Department of Labor, BTN Research).

**14 Years Later** – The NASDAQ Composite closed at an all-time high of 5,049 on March 10, 2000. The index closed at 4,336 on Friday, March 7, 2014, down 14 percent after 14 years. However the index is up 289 percent from its bear market closing low of 1,114 that the index had fallen to on Oct. 9, 2002, or 11 and a half years ago. All the returns referenced are based upon the change in the value of the raw index and do not include the impact of reinvested dividends. The NASDAQ Composite is an unmanaged index of securities traded on the NASDAQ system (source: BTN Research).

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## WEEKLY FOCUS – Are You Really Ready For Retirement?

Retirement is a big life transition that changes the way you and your family take on the world. But all too often people choose to retire without truly examining their motivations. Just because your age matches that arbitrary magic number that says you are allowed to withdraw retirement money without penalties, or that you can now start receiving Social Security, doesn't mean you have to retire. One of the top 10 reasons people flunk retirement, according to the book "*Don't Retire, REWIRE!*" by Jeri Sedlar and Rick Miners, is they are overcome with boredom.

Prior to retirement, work can structure your time, be a source of intellectual stimulation, provide social contacts, contribute to an identity and build your self-esteem. In retirement you have to make your own schedule, your own goals and your own routines. Work also provides an outlet for the energy that drives you. People work for more than just money. You should have an understanding of what drives you.

Before retiring, consider the following questions:

How might you feel to not have a purpose for getting up each day?

How might you or your spouse miss your title/perks?

How might not having other people come to you asking for advice make you feel?

How will the loss of structured time affect you?

How will retirement affect friendships and connections you have made in the workplace?

As you begin to think about what work does for you, you can begin to understand why retiring can leave you unsettled. Leaving full-time work is a major life transition. In our society, you are what you do. Stop doing it, and you may lose your sense of self.

We want your retirement experience to be the one you've always dreamed of. If you are worried about whether you are ready to retire, or if retirement isn't what you expected, contact our office today. We can help you evaluate all the aspects related to your retirement years and create a comprehensive and personalized plan especially for you.



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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. SA#880668