

# WEEKLY MARKET COMMENTARY

For the Week of June 15, 2015

## THE MARKETS

Stocks fell Friday after the International Money Fund stopped bailout talks with Greece. A report on growing U.S. consumer confidence in early June provided another indicator the economy is growing – and spurred speculation of an upcoming rate hike. For the week, the Dow rose 0.35 percent to close at 17,898.84. The S&P gained 0.12 percent to finish at 2,094.11 and the NASDAQ fell 0.34 percent to end the week at 5,051.10.

| Returns Through 06/12/15   | 1 Week | YTD   | 1 Year | 3 Year | 5 Year |
|----------------------------|--------|-------|--------|--------|--------|
| Dow Jones Industrials (TR) | 0.35   | 1.60  | 9.50   | 15.32  | 14.77  |
| NASDAQ Composite (PR)      | -0.34  | 6.65  | 17.53  | 21.12  | 17.62  |
| S&P 500 (TR)               | 0.12   | 2.68  | 10.73  | 19.03  | 16.35  |
| Barclays US Agg Bond (TR)  | 0.05   | -0.32 | 2.12   | 1.85   | 3.53   |
| MSCI EAFE (TR)             | 1.38   | 8.22  | -1.69  | 14.81  | 9.87   |

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.

**Buying a New Vehicle** — The average loan size by Americans purchasing cars and light trucks with financing is \$28,211 as of the first quarter 2015, the largest average dollar amount ever financed in the auto industry (source: Experian Automotive, BTN Research).

**Almost Ten Thousand Dollars** — Health care spending in the U.S. in 2013 was \$2.9 trillion or \$9,255 per person in the country (source: Centers for Medicare & Medicaid Services, BTN Research).

**That Will Cover a Few Months** — Fifty-two percent of working Americans at least age 55 have less than \$50,000 set aside in cash savings and retirement accounts, not counting the equity in their primary residence or the present value of any defined benefit pension plan they have (source: Employee Benefit Research Institute, BTN Research).

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## WEEKLY FOCUS – Things to Consider Before Saying “I Do” Again

Unlike young couples who don't have a lot of assets when they marry, couples who are remarrying later in life have more to consider. When deciding what to share and what to keep separate, a transparent discussion disclosing assets and potential debts is a good place to begin.

Many couples who remarry choose to maintain separate bank accounts with one joint account. That's an easy choice. But what if each person has a home? Where will they live? Who gets the home if the other spouse dies? Imagine a wife owns the home she raised her family in. Her new husband moves in, and she wants him to be able to remain in the home if she passes away. That could mean – unless she takes legal precautions – her husband's children (instead of her children) could eventually inherit her home. Perhaps a husband has a business he wants to leave to his children or either spouse has family heirlooms they want to pass down.

One way to ensure children are able to keep a family home after a parent passes on is to put it in a trust. Prenuptial agreements are another tool to safeguard assets. However, prenups are sometimes challenged in court and set aside. Adding a waiver of rights can add another layer of protection. It's also important to update beneficiary information and wills immediately.

Remarriage may come with other financial repercussions. If any children are still college age, it should be noted that a step parent's income must be included on government financial aid forms. This can have a marked impact on award packages. In some instances, a widow receiving her husband's retirement pension and/or medical benefits under his plan may lose them if she remarries. Social Security benefits might also be at risk. For example, a wife who was married for 10 or more years is entitled to all of her first husband's benefits if he is deceased or half of his benefits if they are divorced and he is still living. If she remarries before the age of 60, she can lose that right.

If you or someone you know is contemplating a second marriage, we would be happy to work with an attorney or accountant to give the new marriage the best chance of financial success and security.



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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#1227207.1