

WEEKLY MARKET COMMENTARY

For the Week of Oct. 21, 2013

THE MARKETS

Markets climbed to a five-year high on Friday. The S&P 500 reached a record close on Thursday and a new high on Friday after U.S. lawmakers made a last-minute deal Wednesday evening to evade a debt default, drawing the government shutdown to a close. For the week, the Dow rose 1.12 percent to close at 15,399.65. The S&P gained 2.44 percent to finish at 1,744.50 and the NASDAQ climbed 3.23 percent to end the week at 3,914.28.

Returns Through 10/18/13	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	1.12	19.88	16.65	14.40	14.89
NASDAQ Composite (PR)	3.23	29.63	27.38	16.42	18.00
S&P 500 (TR)	2.44	24.41	22.38	16.25	15.70
Barclays US Agg Bond (TR)	0.55	-1.39	-0.95	2.90	5.94
MSCI EAFE (TR)	2.77	20.01	23.52	8.04	11.61

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.

Top Shelf – The top 5 percent of U.S. households received 22.3 percent of all income reported in 2012. Income of at least \$191,200 was required to be ranked in the top 5 percent of high-income households last year (source: Census Bureau, BTN Research).

Work For The Government – The number of federal government workers has decreased by 380,000 over the past 25 years (i.e., Aug. 31, 1988, to Aug. 31, 2013), but the number of state and local workers (excluding teachers) has increased by 3.9 million over the same period (source: Department of Labor, BTN Research).

Stayin' Alive – Total health care spending in the U.S. (i.e., total spending from all sources both government or public and private) is expected to be \$2.9 trillion in 2013. That total is forecasted to climb 72 percent over the next nine years (2022) to \$5 trillion (source: Centers for Medicare and Medicaid Services, BTN Research).

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WEEKLY FOCUS – National Save For Retirement Week

On Sept. 11, 2013, Senate Resolution 222 passed, designating Oct. 20-26 as the 2013 National Save for Retirement Week. The goals for National Save for Retirement Week include making people more aware of how critical it is to save now for their financial future; promote the benefits of getting started saving for retirement today; and to encourage people to take full advantage of their employer-sponsored plans by increasing their contributions.

In recognition of National Save for Retirement Week, please take time to evaluate whether you will have enough saved when you retire to live comfortably. Your retirement nest egg should include savings for day-to-day living expenses, debts, health-related costs, gifts to charities and loved ones, and recreation. If you haven't recently reviewed your portfolio and current savings plan, do so today! Even if you are currently contributing to an employer's saving plan, regular reevaluation taking into account changes over the past year may make a difference in your savings.

For example, if you've received a raise and haven't done so already, consider increasing your 401(k) contribution or having your employer direct deposit the extra into your investment account for IRA contributions. Same is true of any bonuses, tax refunds or other windfalls. Choose saving or paying down debt over consumption.

Take advantage of this officially endorsed-by-Congress awareness week to review your retirement savings and your overall financial situation. If you have already reviewed your retirement savings plan recently, then use this week to help spread awareness to friends and family members – especially younger generations. If any member of your family hasn't started saving; share with them the importance of beginning now.

We would be glad to discuss retirement savings in detail with you and your family. Call us today to set up an appointment to review your plan, or for more information on how you or a loved one can work toward a better future tomorrow by planning and saving today.



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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#751015