

WEEKLY MARKET COMMENTARY

For the Week of Nov. 25, 2013

THE MARKETS

Stocks rose on Friday, pushing the S&P 500 to close above 1,800 for the first time, and the Dow reached a new record high close above 16,000. Both indexes recorded their seventh straight week of gains. For the week, the Dow rose 0.71 percent to close at 16,064.77. The S&P gained 0.41 percent to finish at 1,804.76 and the NASDAQ climbed 0.14 percent to end the week at 3,991.65.

Returns Through 11/22/13	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	0.71	25.40	28.40	15.87	18.06
NASDAQ Composite (PR)	0.14	32.20	36.39	16.38	23.59
S&P 500 (TR)	0.41	28.99	32.62	17.15	20.29
Barclays US Agg Bond (TR)	-0.06	-1.53	-1.40	3.04	5.57
MSCI EAFE (TR)	-0.01	19.98	26.44	8.27	15.81

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 Power – Inflation has increased the level of prices in the U.S. 61.5 percent over the past 20 years, an annual increase of 2.43 percent. Thus, an individual retiring on Aug. 31, 1993, on a fixed-income (i.e., with no cost-of-living adjustment) would have 62 percent of the purchasing power as of Aug. 31, 2013, that he or she originally had (source: Department of Labor, BTN Research).

What Shutdown? – The government will pay \$2.5 billion to the federal employees that were furloughed for 16 days in early October 2013 in the form of back-pay and benefits (source: Office of Management and Budget, BTN Research).

Shop – Retail sales totaled \$426 billion in September 2013, a 3.2 percent increase over the total from September 2012. The \$426 billion in retail sales is the second highest monthly total ever (source: Commerce Department, BTN Research).

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WEEKLY FOCUS – Preventing Holiday Overspending

It's no surprise that the busiest shopping day of 2012 was Black Friday, the day following Thanksgiving. This year, though, Thanksgiving Thursday will likely be in the running for one of the busiest shopping days of the year, as many retailers plan on being open at some point on that day.

According to a preliminary Thanksgiving weekend shopping survey by the National Retail Federation, up to 140 million people plan to shop over the upcoming holiday weekend (Thursday, Friday, Saturday and Sunday). For the first time, the NRF asked if people plan to shop on Thanksgiving Day, and nearly one-quarter (23.5% or 33 million) said they do.

If you plan to start your holiday shopping soon, having a plan ahead of time can help you prevent overspending. Start with a total you can afford to spend, a list of people you would like to give gifts and a dollar limit for each person. Don't forget service people like the mailman, dog groomer, hair dresser, lawn service and maid service. Also factor in any gifts that your children or your spouse need to give, including teachers and administrative assistants.

Total your planned expenses. If your total is higher than what you planned, you should either drop some people or drop some amounts until you get within your budget. Be sure to take a list with you while shopping and update it frequently, so you don't forget what you've already purchased. If you've had problems with overspending before, consider putting your total cash in an envelope and using only that cash for gifts. Or, set aside a credit card specifically for gift purchases and check your total online frequently.

When it comes to the children, grandchildren, nieces and nephews, consider whether they will be getting gifts from multiple sets of grandparents, aunts and uncles. A few people buying multiple presents for one child can quickly become an explosion of overspending. Consider setting a family limit, either dollar amount or number of gifts.

Having a goal and a plan for achieving it applies to many areas of your finances, from holiday spending to college funding and retirement planning. Our office is a resource for your financial needs. Call us for assistance when you need to create or update a plan for achieving a financial goal.



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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#771855