

WEEKLY MARKET COMMENTARY

For the Week of Sept. 29, 2014

THE MARKETS

U.S. stocks rose on Friday following the release of second-quarter GDP data that showed the economy grew at its fastest pace in 2.5 years. Still, Friday's advance was not enough to offset losses from earlier in the week, and all major indexes posted their worst week since Aug. 1. For the week, the Dow fell 0.96 percent to close at 17,113.15. The S&P lost 1.34 percent to finish at 1,982.85 and the NASDAQ dropped 1.48 percent to end the week at 4,512.19.

Returns Through 09/26/14	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-0.96	5.02	14.25	18.72	15.06
NASDAQ Composite (PR)	-1.48	8.04	19.14	21.48	16.63
S&P 500 (TR)	-1.34	8.91	19.16	22.09	16.10
Barclays US Agg Bond (TR)	0.22	4.06	4.00	2.42	4.13
MSCI EAFE (TR)	-2.21	-0.85	4.02	14.84	6.81

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.

Pretty Small Amount — Collection of federal estate taxes amounts to approximately \$18 billion annually, equal to what Uncle Sam spends in 44 hours (source: Tax Foundation, BTN Research).

Rising Prices — Over the five years 1977-1981, inflation (as measured by the Consumer Price Index) advanced by 61.5 percent, an increase of 10.1 percent per year. Since then, only one calendar year (1990) has produced annual inflation of at least 5 percent (source: Department of Labor, BTN Research).

Older and Still with Debt — The number of American seniors age 65 and older with mortgage debt on the homes they own has increased from just over one in five (22 percent) to nearly one in three (30 percent) over the past decade (source: Consumer Financial Protection Bureau, BTN Research).

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WEEKLY FOCUS – Reasons to Still Use Your Credit Cards

Credit card privacy breaches at retailers such as the recently announced Home Depot breach – the largest ever with 56 million debit and credit cards affected – are making consumers think twice about how they pay for in-store items. This is especially true for those who have already been through the hassle of canceling cards and combing through bank statements for fraudulent charges following other retail-breaches such as Target and Michaels. And while this might make you want to move to a cash-only system, there are still perks to using credit cards – if you use them safely.

For starters, credit cards have built-in security cash doesn't. If you lose your cash somewhere, you're out of luck. And most likely you wouldn't feel too comfortable carrying cash around to make a big-ticket purchase. Losing a credit card may cause you the inconvenience of canceling the card and waiting for a new one, but you won't be out any money. Even if fraudulent charges are made, the credit card company will resolve the matter, and the charges will be reversed.

Credit cards also usually come with customer protection insurance and are universally accepted. Most credit cards waive currency conversion fees, meaning you can use them overseas on vacation without racking up extra charges (and once again without the fear of losing cash to a pick-pocket). One of the main reasons consumers use credit cards is for the reward program offers attached. While many credit cards offer sign-up bonuses, cash back percentages on purchases, reward points and frequent-flyer miles, you should make sure your credit cards' interest rates and annual fees don't outweigh the rewards you receive.

It's also important to remember that credit cards are different from debit cards. If you're paying with a debit card, be sure to run it as credit and sign for your purchase instead of typing in your PIN. This helps keep your PIN secure from hackers and thieves, even if they are able to get your card information. Fraudulent debit card charges may not be reversible by your bank, and the money is withdrawn immediately. Using credit cards instead of debit cards allows for a grace period, meaning the money will remain in your checking account until you pay the credit card bill later. This can help prevent overdraft charges from your checking, especially in emergencies. Monitoring your accounts online and reviewing your statements are not only important for tracking your finances, but also for catching potential fraudulent charges.

There are multiple ways to pay for purchases, and each has advantages and disadvantages. Careful consideration and responsible use is always advised. Protecting your personal information and your assets is important to us. For more information on monitoring your accounts and credit history, and for tips on protecting your finances, please give our office a call.

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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 securities, including government, government agency, corporate and mortgage-backed securities between one and 10 years. Written by Securities America. SAI#1023472.1