

WEEKLY MARKET COMMENTARY

THE MARKETS

The markets' post-election rally paused as Apple and other tech stocks led a slump. Although Wall Street finished the last week of 2016 on a sour note, major indexes achieved solid gains for the year. For the week, the Dow fell 0.86 percent to close at 19,762.60. The S&P lost 1.08 percent to finish at 2,238.83, and the NASDAQ dropped 1.46 percent to end the week at 5,383.12.

Returns Through 12/30/16	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-0.86	16.50	16.50	8.71	12.92
NASDAQ Composite (PR)	-1.46	7.50	7.50	8.83	15.62
S&P 500 (TR)	-1.08	11.96	11.96	8.87	14.66
Barclays US Agg Bond (TR)	0.66	2.65	2.65	3.03	2.23
MSCI EAFE (TR)	0.61	1.00	1.00	-1.60	6.53

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.

Start Saving Now — A child born in 2016 who begins kindergarten in 2021 would attend college between 2034 and 2038. If that child attended an average public, in-state, four-year college and if the annual price increases for public colleges experienced over the last 30 years (5.5 percent per year) continue into the future, the aggregate four-year cost of the child's college education (including tuition, fees, room and board) would total \$227,984 or \$56,996 per year (source: College Board, BTN Research).

The Cost of Business — The break-even oil price for Saudi Arabian oil producers is \$7 per barrel. The break-even oil price for Russian oil producers is \$46 per barrel (source: Deutsche Bank, BTN Research).

More Than Two-Thirds — The total return of the S&P 500 over the last five calendar years (2011-2015) is 80.7 percent. The best 13 trading days during the five years (i.e., 13 days out of 1,258 total trading days) produced a 55.1 percent gain. Thus, 1 percent of the trading days over the last five years were responsible for 68 percent of the index's total return (source: BTN Research).

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WEEKLY FOCUS – Time for Re\$olutions

According to NerdWallet's first year-end financial survey, many Americans should consider making New Year's resolutions to save more in 2017. Although 70 percent of the participants reported saving for retirement in 2016, many were concerned about the adequacy of their nest egg. Only twenty-nine percent were confident they saved sufficiently last year, and nearly one in three weren't saving at all.

Among the three out of four who had financial anxieties, 35 percent were concerned about health care bills and expenses; 35 percent were anxious about not having emergency savings; and 28 percent were worried about their lack of retirement savings.

It's not surprising health care costs were such a big concern. Last summer, the U.S. Department of Health and Human Services predicted the per-person health care tab for 2016 would top \$10,000 for the first time. In 2015, the Centers for Medicare & Medicaid Services projected health spending would grow at an average rate of 5.8 percent per year between 2015 and 2025. This escalating cost makes it more challenging for many Americans to save as much as they'd like.

With higher insurance premiums, greater out-of-pocket costs and slow wage growth, discipline and determination are essential to achieve financial goals. As with most goals, aiming high often improves results. So aim to put 15 percent in your retirement fund. If that is difficult, track expenses to find things to cut and create a strategic budget. Then increase contributions 1 to 2 percent every three months. Try to save additional income from pay increases. Delay gratification. Before putting an item in your shopping cart (in person or online), pause for 10 seconds and ask yourself if you really need it. For larger purchases, wait several weeks to evaluate your decision. And consider an occasional spending fast where you don't make any unnecessary purchases for a month.

The NerdWallet survey also asked those who were saving for retirement how they were doing so. Fifty-five percent reported using regular savings accounts; fifty percent were using a workplace retirement plan like a 401(k); and 39 percent were using an individual retirement account like an IRA. (Respondents could select more than one.) Those using savings accounts may be missing out on an employer match, tax advantages provided by designated retirement accounts and growth potential other investments may offer.

We can help you find ways to meet your goals this year, no matter how big or small. Call our office to schedule time to discuss what you want to accomplish in 2017 and beyond.

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1753 Dollar Street, West Linn, Oregon 97068.

* 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, Copyright January 2017. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI# 1673128.1