

WEEKLY MARKET COMMENTARY

For the Week of January 16, 2017

THE MARKETS

The Dow dipped marginally following December's lower-than-expected U.S. retail sales report. But a Facebook jump helped the Nasdaq hit a record high, and the S&P 500 also rose. For the week, the Dow fell 0.39 percent to close at 19,885.73. The S&P lost .09 percent to finish at 2,274.64, and the NASDAQ climbed 0.96 percent to end the week at 5,574.12.

Returns Through 1/13/17	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-0.39	0.68	26.46	9.64	12.68
NASDAQ Composite (PR)	0.96	3.55	23.16	10.66	15.51
S&P 500 (TR)	-0.09	1.67	22.99	10.03	14.46
Barclays US Agg Bond (TR)	0.20	0.37	2.08	2.85	2.23
MSCI EAFE (TR)	0.82	2.61	10.34	-0.76	7.04

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.

Straight Line — Just 25 percent of stock investors were bullish on the U.S. stock market on Dec. 31, 2015, after the S&P 500 had produced a 1.4 percent gain (total return) for 2015. The S&P 500 gained 12 percent during 2016 (source: AAIL, BTN Research).

When? — Social Security trustees announced on June 22, 2016, that the trust fund backing the payment of Social Security benefits (OASI benefits) will be depleted in 2035. When the trustees released their report in 2003, the trust fund was projected to be depleted in 2042 (source: Social Security Trustees Reports, BTN Research).

From the March 2009 Low — Since dropping to a bear market low on March 9, 2009 (i.e., approximately 94 months ago), the S&P 500 stock index has gained 291 percent (total return) through the close of trading on Friday, Dec. 30, 2016, or an average gain of 1.5 percent per month (source: BTN Research).



WEEKLY MARKET COMMENTARY

Page 2 of 2

WEEKLY FOCUS – Still Time for Certain Tax Moves

Even as you look at a fresh 2017 calendar, you may still be able to make one or two strategic tax moves for 2016. But they must be made by the national filing deadline, which falls on Tuesday, April 17, this year.

HSA contribution: If you had a high-deductible health plan in 2016 and didn't contribute the maximum amount allowed to a Health Savings Account (HSA), you may do so and designate it for 2016. To qualify for an HSA, you must have had a health insurance plan with a minimum deductible of \$1,300 for an individual or \$2,600 for a family. Maximum out-of-pocket costs could be no more than \$6,550 for an individual or \$13,100 for a family. The maximum contribution to an HSA for 2016 was \$3,350 for an individual or \$6,750 for a family, with a \$1,000 catch-up contribution for anyone 55 or older.

IRA contribution: If you are younger than 70½, still working and you or you and your spouse aren't covered by a qualified retirement plan, such as a 401(k), you can contribute to a traditional IRA, regardless of your income for 2016. If you are covered by such a plan, your adjusted gross income (AGI) must be below \$61,000 for a full deduction as a single filer or \$98,000 as a married couple filing jointly. If you're not covered, but your spouse is and you file jointly, you must make less than \$184,000 combined to take a full deduction. The maximum contributions an individual could make last year were \$5,500 or \$6,500 for those 50 or older.

If your income and circumstances qualified last year, you may still make your 2016 contribution to a Roth IRA. For 2016, a single filer who made less than \$117,000 and married joint filers who made less than \$184,000 could make full contributions. Roth contributions are post-tax; contribution limits are the same as traditional IRAs.

Back-door Roth contribution: If your AGI doesn't qualify for a Roth, you might consider using a back-door method to contribute. Regardless of income, you may make post-tax contributions to a traditional IRA and then immediately convert the account to a Roth IRA. However, if you have an existing traditional IRA funded with pre-tax dollars, your tax benefit will be reduced. Converting an existing IRA account that has gained value will also require tax payments.

We would be happy to work with you and your tax professional to help you find beneficial solutions for your situation. Call our office to schedule an appointment with us and your other trusted advisors.

Securities America and its representatives do not provide tax advice; coordinate with your tax advisor regarding your specific situation.

Advisory Services Offered Through Securities America Advisors, Inc. a SEC Registered Investment Advisory Firm. Roxanne Waterman, Investment Advisor Representative. Securities offered through Securities America, Inc. Member FINRA, SIPC. R. Waterman, Registered Representative. Waterman & Associates, Inc. Nikken, Alliance I and the Securities America companies are not affiliated. Securities America does not provide tax or legal advice. Advisory licensed in Oregon, Security Insurance licensed in Florida, California, Oregon, and Washington.
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# 1684065.1