

WEEKLY MARKET COMMENTARY

For the Week of February 20, 2017

THE MARKETS

The Dow and S&P 500 suffered losses but turned positive in the final minutes of the week. The Dow managed to reach a seventh straight record high Friday; the S&P and the Nasdaq also closed at a record. For the week, the Dow rose 1.88 percent to close at 20,624.05. The S&P gained 1.60 percent to finish at 2,351.16, and the NASDAQ climbed 1.82 percent to end the week at 5,838.58.

Returns Through 2/17/17	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	1.88	4.77	28.67	11.23	12.57
NASDAQ Composite (PR)	1.82	8.46	28.77	11.22	14.62
S&P 500 (TR)	1.60	5.32	24.68	10.87	13.97
Barclays US Agg Bond (TR)	-0.02	0.44	1.51	2.69	2.22
MSCI EAFE (TR)	0.86	4.35	15.85	-0.07	5.45

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.

Above the Max — Earnings up to \$127,200 in 2017 are subject to employee-paid payroll taxes of 6.2 percent that support Social Security benefits. An estimated 6 percent of American workers will make more than \$127,200 in 2017 (source: Social Security Administration, BTN Research).

Short-Term — Thirty-seven percent of Treasury debt at the end of fiscal year 2016 (Sept. 30, 2016) had a maturity of two years or less, i.e., debt that will mature by Sept. 30, 2018, and will either have to be rolled over or paid off (source: Treasury Department, BTN Research).

Keep Going — The bull market for the S&P 500 will reach eight years in length on Thursday, March 9. Through Friday, Feb. 10, the S&P 500 has gained 305 percent (total return) during its bull run (source: BTN Research).

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Page 2 of 2

WEEKLY FOCUS – Time for a Financial Fast?

Studies suggest intermittent food fasts can provide certain health benefits, including detoxing the body, potential weight loss, lower blood pressure and reduced cholesterol. So it's no wonder there are countless plans available for approaching fasts.

Because Feb. 27 through March 3 has been designated America Saves Week, this week's article addresses ways to take a spending break to improve your financial well-being. A financial fast can be as short as a week or extend a month or more. Your goal may be to save for a special gift or vacation; to put extra money in an emergency, education or retirement fund; or to become more aware of unnecessary spending. Just as avoiding added sugars can retrain your taste buds, taking a hiatus on extra purchases can reset your spending appetite. Because researchers say it takes about 30 days to break a habit, a month-long fast could be necessary to establish a new pattern.

You may choose to go cold turkey, avoiding all unnecessary purchases or to merely cut out designated activities or specific categories of spending. You might eliminate clothes spending, restaurant visits (including Starbucks), Groupon deals or all online shopping. You could resolve not to shop with credit or debit cards since researchers have found customers using plastic spend more than those using cash or writing checks.

Even if you avoid buying anything you don't absolutely need, you can still take your fast up another notch by cutting spending within necessary categories. For example, you need to eat, but you may reduce your food bill by using up existing groceries in your pantry or refrigerator, planning menus around weekly store specials and including some meat-free dinners.

Organizations like Weight Watchers realize dieters are often more successful when others hold them accountable. Likewise, having a spouse or friend as a partner can make your financial fast more enjoyable and keep you on track. You might see which of you can spend the least, prepare the tastiest, most economical meal or find more creative things to do on a shoestring. For example, instead of going to a movie, sporting event or concert together, you may attend a free community activity or plan a potluck and game night with friends.

While a financial fast won't provide a quick fix to every future concern, it's a great starting point to reboot your budget, and resisting the urge to splurge can lead to more mindful spending. Contact our office if you'd like us to help you identify potential money-saving opportunities.

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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, Copyright February 2017. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SA# 1715138.1