

WEEKLY MARKET COMMENTARY

For the Week of February 27, 2017

THE MARKETS

Stocks were in negative territory after the Trump administration indicated its pro-growth policies may take longer to implement. But they edged higher before closing, allowing the Dow to continue its streak of record-setting gains for 11 days. For the week, the Dow rose 0.99 percent to close at 20,821.76. The S&P gained 0.73 percent to finish at 2,367.34, and the NASDAQ climbed 0.12 percent to end the week at 5,845.31.

Returns Through 2/24/17	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	0.99	5.81	29.66	11.46	12.72
NASDAQ Composite (PR)	0.12	8.59	28.68	10.84	14.55
S&P 500 (TR)	0.73	6.09	25.36	10.94	14.05
Barclays US Agg Bond (TR)	0.62	1.06	1.67	2.88	2.31
MSCI EAFE (TR)	-0.14	4.21	17.59	-0.58	5.07

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.

Love Those Grandkids — The 81 percent of grandparents who provided cash gifts to their grandchildren over the past year gave an average of \$2,383, not counting noncash gifts such as childcare or transportation (source: TD Ameritrade, BTN Research).

Rotten — The worst performing stock in the S&P 500 during 2016 was also the worst performing stock in the index during January 2017, losing 73.1 percent last year and 25.7 percent last month (source: BTN Research).

Fewer Choices — There were 1.65 million existing homes for sale nationwide as of Dec. 31, 2016, a total that dropped 460,000 in the last six months of the year. That was the lowest level ever reported for a statistic tracked since 1999 (source: National Association of Realtors, BTN Research).

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WEEKLY FOCUS – Credit Cards: When to Hold ‘em, When to Fold ‘em

According to a recent Motley Fool article, the average U.S. citizen carries eight credit cards in their wallet, which begs a question regarding the optimal number. The answer probably varies with your objectives and circumstances.

If you're most concerned about maintaining a high FICO™ score, the number of cards isn't as important as other factors. While Fair Isaac Corporation, the company that assigns the scores, doesn't divulge the exact formula it uses, it shares factors considered with their respective weights:

- Payment history: 35 percent
- Amounts owed: 30 percent
- Length of credit history: 15 percent
- Credit mix: 10 percent
- New credit: 10 percent

Having a small proportion of debt compared to available credit helps your score. Having six cards and owing \$2,000 is better than having one card with a \$3,000 limit and a \$1,500 balance – provided you make payments on time. Fair Isaac says your FICO can suffer a little once you acquire more than seven revolving debt accounts. And opening too many new cards in a short period can particularly ding it.

Using multiple cards makes tracking spending more difficult. But even if you don't use many of your cards, you still need to monitor them to make sure the bank didn't add or increase an annual fee or someone hasn't used them fraudulently. An alternate way to improve your ratio with fewer cards is to periodically ask your credit card company to increase your limit by a few thousand dollars.

In addition to lowering your debt-to-available-credit ratio, closing accounts can knock points off your length of credit history. For this reason, you should try to keep a few cards open long-term, especially any you had before you got married. (It's important to keep some accounts that only have your name on them.) You may need to use cards periodically so the company doesn't cancel them. If you close an account, talk to a live operator and specify you want the account closed "at the cardholder's request." A closed account's positive information will stay on your report from seven to 10 years.

For more information on monitoring your accounts and credit history or 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 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# 1720730.1