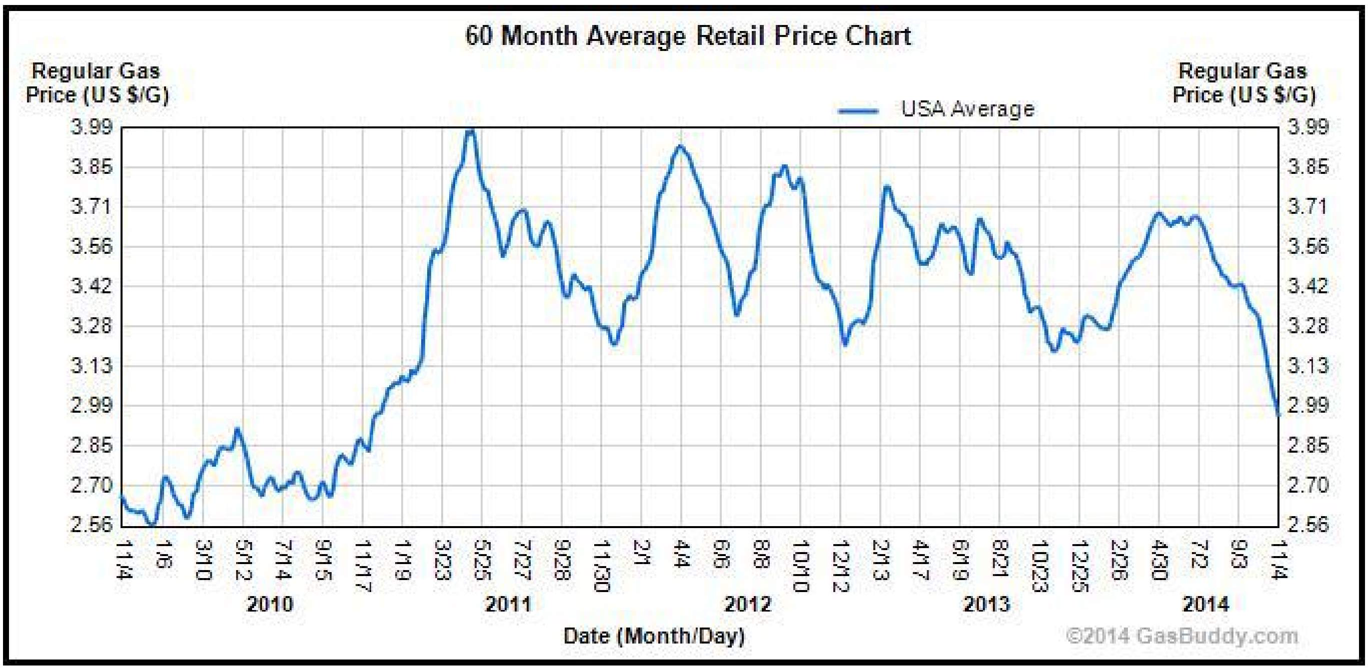
# [Market Commentary: Will we finish 2014 strong?]

Coming off of one of the best bullish years in recent memory (2013), the question entering 2014 was whether we would sustain the bullish move. Well, so far the answer is [wholesale nfl jerseys] a resounding “YES!” The S&P 500 is currently sitting at a 9.8% return year to date. Healthcare, Technology and Consumer Staples have led the market with 22.02%, 14.55% and 10.04% returns respectively.

Despite these positive returns in 2014, this [.] year hasn’t been without some market volatility. October saw the market pull back 10% for the first time in two years causing some to wonder whether the end to the bull-run has finally run its course. Listening to the mainstream media potentially enhanced these fears and created undue concern. It is our job as your Financial Advisors to look at the global markets and lay out the facts in an attempt to answer the question, “Will we finish 2014 as strong as we started it?”

**United States of America:** The good ole’ US of A has been rocking. It has outperformed the global markets all year long and it appears as though it will continue. [cheap nba jerseys] *For our U.S. allocations we will maintain our overweight stance for the following reasons:*

- **More people are working.** Unemployment has dropped to 5.9% from 7.2% a year ago.
- **The US economy is growing.** GDP (Gross Domestic Product), which is a gauge of the health of the US economy, grew at a 4.6% annual rate in Q2 and a 3.5% rate in Q3.
- **Consumers have more money to spend.** Gas prices are the lowest level they have been since 2010 (see image courtesy of GasBuddy.com) falling below [wholesale nba jerseys] $3.00.



- **Historically we are entering into the most bullish time of the year.** November starts what is historically the best three month stretch for market returns (November – January). Since 1928 November, December and January have averaged .6%, 1.5% and 1.2% returns. Although there is never a guarantee that this will continue, we firmly believe in managing money based on probabilities not possibilities. These probabilities are based on history and certainly history is bullish for the next few months.
- **The markets applauded the Federal Reserve and it's ending of Quantitative Easing (QE).** One of the biggest concerns investors had was the notion that as soon as the Federal Reserve stopped its QE program the markets would fall. This concern was answered on October 29 when the Fed announced the end of the program. The market immediately moved higher and continues to move higher even as I type.

**Developed Non-U.S. Markets (Europe, Asia and Australia):** These areas of the globe have been the laggards of 2014. The index that tracks the Developed Non-US markets is (MSCI EAFE index) is down 2.97% YTD. The bright spot has been Australia which is up 5% YTD. The low light has been Germany which is down 11% YTD. Despite attempts by the ECB to spur growth, the outlook for Europe is not as strong as the U.S. as our friends across the pond seem to be getting weaker and weaker.

*We are underweight these areas of the globe and will remain so for the rest of 2014.* We will continue to keep our eyes on these Developed Non-U.S. markets simply due Current. to the fact that it is cheap and Up hated. When things are cheap and hated is often when you find the best investment opportunities.

**Emerging Markets:** As a whole the Emerging Markets cheap jerseys Index (MSCI EM) is up 4.88% YTD. India has been the bright spot of the Emerging Market countries. It is currently up 40% YTD. India's newly elected Prime Minister, to Narendra Modi, is wholesale nfl jerseys viewed as the one that will finally unleash Look the growth potential of India's markets. As a result we have seen incredible returns in that country. Russia has been the biggest bear (for obvious reasons . Effects . . namely Putin's attempt to rule the world) and is down 23% YTD.

*We are equal weight this area of the globe and will continue to maintain that posture for the rest of 2014*. It continues trading at attractive multiples and is trending in the right direction.

**In Summary:** It is our belief that we will finish 2014 strong. Everything we study, read and research points to a bullish end to 2014. This stance is in no way a guarantee of future returns, but it does provide the foundation for us as we continue to work hard for you.