



Thomas Cymer, CFP(r), CRPC(r)
President and Financial Professional
[Opulen Financial Group, LLC](#)

.

Opulen Financial Group, LLC.

Thomas Cymer CFP® CRPC® Presents:

WEEKLY ECONOMIC UPDATE

October 13, 2014

WEEKLY QUOTE

"If we couldn't laugh, we would all go insane."

-Jimmy Buffett

WEEKLY TIP

If your child or grandchild recently graduated from college, consider suggesting a move that might help him or her get a financial jump on other millennials: living on 70-80% of earned income and investing or saving the rest.

WEEKLY RIDDLE

It has a thumb and four fingers, but isn't alive. What could it be?

Last week's riddle:

It usually loses a head by noon, but that same head often returns by midnight. What is it?

Last week's answer:

A pillow.

WHEN WILL THE MARKET CALM DOWN?

Earnings didn't preoccupy investors last week; Europe did. The International Monetary Fund warned that the euro area could enter another recession; European Central Bank president Mario Draghi urged EU member nations to go in for quantitative easing, but German finance minister Wolfgang Schäuble disagreed. IMF and Federal Reserve officials noted the potential for Europe to slow global and U.S. growth. Factor in a selloff in small caps and a plunge for oil, and you had the CBOE VIX hitting an 8-month high of 20.53 Friday. A very poor week for equities ended with the Dow at 16,544.10, the Nasdaq at 4,276.24 and the S&P 500 at 1,906.13. Losing 3.14% in five days, the S&P had its worst week in two years. Maybe earnings will pull some focus from Europe this coming week.^{1,2}

OIL HITS A 9-MONTH LOW AS GOLD FUTURES RISE

NYMEX crude finished Friday's trading session at just \$85.52 a barrel. Futures fell 4.4% in five days. On Thursday, West Texas Intermediate crude entered a bear market, one day after Brent crude did. Oil production of OPEC nations hit a 3-year peak in September. COMEX gold was the bright spot last week, settling at \$1,221.70 Friday. Across five days, the yellow metal gained 2.4% for its first weekly ascent since late September. COMEX silver ended the week at \$17.30.^{1,3}

WALL STREET FINDS REASSURANCE IN FED MINUTES

The Federal Open Market Committee again used the phrase "considerable time" in the minutes of its September 16-17 policy meeting - a rough projection of the lag time between the end of QE3 and adjustments to the federal funds rate. That language helped the S&P 500 rise 1.8% Wednesday.⁴

THIS WEEK: EU finance ministers meet on Monday, which is also Columbus Day; U.S. bond markets will be closed. Tuesday, earnings from Citigroup, Wells Fargo, JPMorgan Chase, Healthcare Services, Intel, CSX, Domino's Pizza, J.B. Hunt and Johnson & Johnson arrive plus a report on September euro area industrial output. September's PPI and retail sales data appear Wednesday, plus a new Fed Beige Book, China's latest inflation reading and earnings from American Express, eBay, Kinder Morgan, PNC, Bank of America, BlackRock, Netflix and Charles Schwab. Thursday brings the latest CPI for the euro area, numbers on U.S. industrial output and earnings from BB&T, Fifth Third, AMD, Blackstone Group, Capital One, Delta Air Lines, Bancorp, Goldman Sachs, Google, Mattel, Philip Morris, SanDisk, Schlumberger and UnitedHealth. Friday morning, Fed chair Janet Yellen speaks in Boston and Wall Street looks at September housing starts data and the initial October consumer sentiment index from the University of Michigan.

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	-0.20	+9.37	+13.54	+6.41
NASDAQ	+2.39	+13.71	+19.98	+12.17

S&P 500	+3.13	+12.62	+15.58	+6.95
REAL YIELD	10/10 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	0.35%	0.50%	1.56%	1.78%

Sources: online.wsj.com, bigcharts.com, treasury.gov - 10/10/14^{5,6,7,8}

Indices are unmanaged, do not incur fees or expenses, and cannot be invested into directly. These returns do not include dividends.

Please feel free to forward this article to family, friends or colleagues. If you would like us to add them to our distribution list, please reply with their address. We will contact them first and request their permission to add them to our list.

The Market's Wild Swings

A hugely volatile week concludes. What's next as earnings season gets underway?

Provided by Thomas Cymer CFP® CRPC®

During this past trading week, volatility ruled Wall Street. In fact, stocks either fell or rose 1.5% or more on three consecutive trading days. That had happened only 54 times since 1928.¹

What prompted these ups & downs? Several factors. The International Monetary Fund just cut its global and Asia growth forecasts for 2015 and stated that the eurozone could soon slide into another recession. European Central Bank president Mario Draghi wants easing to stimulate the eurozone economy, yet German finance minister Wolfgang Schäuble doesn't. The DAX and CAC 40 (the benchmark indices of Germany and France) have both corrected since spring.²

So has the Russell 2000, which wrapped up last week down 13% from its peak in early March. Oil entered a bear market Thursday. Finally, the end of the month will presumably see the end of the Federal Reserve's quantitative easing effort - which has played a big role in the market's bull run. The S&P 500 ended Friday down more than 5% from its September 18 record close, and Friday actually saw a rare 100-point drop for the Nasdaq Composite (102.10, to be precise).^{2,3}

Where might things go from here? Stocks could fall further - keep in mind that the S&P has gone more than two years without a correction, definitely an abnormality. On the other hand, fall earnings seasons have tended to give stocks a lift throughout history, so let's hope history repeats. Bespoke Investments cites some encouraging data: in instances where the market sees 1.5% or greater swings on three straight trading days, the S&P has averaged a gain of 0.55% on the next trading day and 1.13% during the following trading week.¹

How big a drag will Europe continue to exert on the market? Agreement between EU finance ministers would give domestic and foreign stocks a lift. If that isn't there, perhaps earnings - the

"mother's milk" of stocks - will help guide the market back to equilibrium and gains.²

Perhaps the wisest words came from Cornerstone Wealth Management CIO Alan Skrainka, who told *USA TODAY* Friday: "The market was overdue for a correction. Not every correction develops into a bear market. Every economic slowdown is not a recession. Look for opportunities and maintain a long-term perspective."³

Thomas Cymer CFP® CRPC® may be reached at 571-299-2053 or via email at tcymer@opulenfg.com
www.opulenfg.com
1001 19th St. N Suite 1200 Arlington, VA 22209

Securities and Investment Advisory Services offered through NEXT Financial Group Inc. Member FINRA/SIPC

Citations.

- 1 - tinyurl.com/k9nfbxc [10/10/14]
- 2 - bloomberg.com/news/2014-10-09/index-futures-slip-as-stocks-slump-while-oil-extends-drop.html [10/10/14]
- 3 - usatoday.com/story/money/markets/2014/10/10/stocks-friday/17022819/ [10/10/14]

This material was prepared by MarketingPro, Inc., and does not necessarily represent the views of the presenting party, nor their affiliates. This information has been derived from sources believed to be accurate. Please note - investing involves risk, and past performance is no guarantee of future results. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is needed, the reader is advised to engage the services of a competent professional. This information should not be construed as investment, tax or legal advice and may not be relied on for the purpose of avoiding any Federal tax penalty. This is neither a solicitation nor recommendation to purchase or sell any investment or insurance product or service, and should not be relied upon as such. All indices are unmanaged and are not illustrative of any particular investment. The Dow Jones Industrial Average is a price-weighted index of 30 actively traded blue-chip stocks. The 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 Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. It is not possible to invest directly in an index. NYSE Group, Inc. (NYSE:NYX) operates two securities exchanges: the New York Stock Exchange (the "NYSE") and NYSE Arca (formerly known as the Archipelago Exchange, or ArcaEx®, and the Pacific Exchange). NYSE Group is a leading provider of securities listing, trading and market data products and services. The New York Mercantile Exchange, Inc. (NYMEX) is the world's largest physical commodity futures exchange and the preeminent trading forum for energy and precious metals, with trading conducted through two divisions - the NYMEX Division, home to the energy, platinum, and palladium markets, and the COMEX Division, on which all other metals trade. Additional risks are associated with international investing, such as currency fluctuations, political and economic instability and differences in accounting standards. This material represents an assessment of the market environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results. Past performance is no guarantee of future results. Investments will fluctuate and when redeemed may be worth more or less

than when originally invested. All economic and performance data is historical and not indicative of future results. Market indices discussed are unmanaged. Investors cannot invest in unmanaged indices. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is needed, the reader is advised to engage the services of a competent professional.

Citations.

- 1 - bloomberg.com/news/2014-10-09/index-futures-slip-as-stocks-slump-while-oil-extends-drop.html [10/10/14]
- 2 - markets.on.nytimes.com/research/markets/usmarkets/usmarkets.asp [10/10/14]
- 3 - proactiveinvestors.com/companies/news/57379/gold-slides-03-oil-records-biggest-weekly-drop-since-january-57379.html [10/10/14]
- 4 - usatoday.com/story/money/markets/2014/10/08/stocks-wednesday/16900165/ [10/8/14]
- 5 - markets.wsj.com/us [10/10/14]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=10%2F10%2F13&x=0&y=0 [10/10/14]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=10%2F10%2F13&x=0&y=0 [10/10/14]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=10%2F10%2F13&x=0&y=0 [10/10/14]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=10%2F9%2F09&x=0&y=0 [10/10/14]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=10%2F9%2F09&x=0&y=0 [10/10/14]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=10%2F9%2F09&x=0&y=0 [10/10/14]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=10%2F11%2F04&x=0&y=0 [10/10/14]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=10%2F11%2F04&x=0&y=0 [10/10/14]
- 6 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=10%2F11%2F04&x=0&y=0 [10/10/14]
- 7 - treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyield [10/10/14]
- 8 - treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyieldAll [10/10/14]

Week of September 30th, 2013

[Forward email](#)

 SafeUnsubscribe

This email was sent to tcymer@opulenfg.com by tcymer@opulenfg.com | [Update Profile/Email Address](#) | Rapid removal with [SafeUnsubscribe™](#) | [Privacy Policy](#).



Opulen Financial Group, LLC | 1818 Library St. Suite 500 | Reston | VA | 20190