

Market Update 1/6/15 and Getting a Jump on Tax Season!

https://ui.constantcontact.com/visualeditor/visual_editor_preview.jsp?agent.uid=111968...



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

January 5, 2015

WEEKLY QUOTE

"Life is a reciprocal exchange. To move forward, you have to give back."

- Oprah Winfrey

WEEKLY TIP

For 2015, see if you can keep the cost of your total monthly debt payments at 35% of your pre-tax income or less. You should be the master of your debt; it shouldn't master you.

WEEKLY RIDDLE

As I age my height changes, but not my importance. Your hand guides me and I help articulate what you want to say.

When we part, I am not important or useful to you. What am I?

Last week's riddle:

It can be measured even though it lacks length, width or height. What is it?

Last week's answer:

Temperature.

LATEST ISM FACTORY PMI IS A LETDOWN

The 3.2-point December descent of the Institute for Supply Management's manufacturing index may not be as troubling as it first appeared to Wall Street. Purchasing managers surveyed by ISM noted that labor disputes at west coast ports held up raw material and hard goods shipments last month. At 55.5, the index still pointed to a growing factory sector even though it missed expectations (it came in 1.5 points beneath the forecast of economists polled by MarketWatch). The ISM factory PMI averaged 55.8 in 2014 for its best year since 2010.^{1,2}

CONFIDENCE UP AS 2014 ENDS

In December, the Conference Board's consumer confidence index reached 92.6, approaching a seven-year high that the CB recorded in October. In addition, the CB's index measuring the outlook on current economic conditions hit a high unseen since February 2008. November's reading was revised up to 91.0 from the prior 88.7.³

AN UPTURN FOR PENDING HOME SALES

According to the National Association of Realtors, they rose 0.8% in November - much better than October's 1.1% retreat. October's S&P/Case-Shiller home price index showed a 4.5% annual gain in its 20-city version, the smallest in two years; the nationwide gain was 4.6%, down from 4.8% in the September edition.^{3,4}

STOCKS PULL BACK AS NEW YEAR BEGINS

Another abbreviated trading week brought losses for the Dow, S&P 500 and Nasdaq Composite. The NASDAQ slipped 0.98% for the week to end up at 4,726.81 Friday; respective 1.09% and 1.46% retreats for the DJIA and S&P left those benchmarks at 17,832.99 and 2,058.20 settlements.^{5,6}

THIS WEEK: No major releases are scheduled on Monday. Tuesday brings not only ISM's December services index, but also key December PMIs from China, Japan and the eurozone. Wednesday, ADP's December employment change report accompanies the minutes from the December 16-17 Federal Reserve policy meeting and earnings from Monsanto and Family Dollar. The December Challenger job-cut report arrives Thursday, plus a new round of initial claims figures and earnings from Bed Bath & Beyond, PriceSmart, Ruby Tuesday, Barracuda Networks, The Container Store and Constellation Brands. The Labor Department puts out its December jobs report Friday.

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	+0.06	+8.46	+14.20	+6.62
NASDAQ	-0.20	+14.09	+21.66	+11.96
S&P 500	-0.03	+12.35	+16.92	+7.12

REAL YIELD	1/2 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	0.41%	0.74%	1.48%	1.70%

Sources: online.wsj.com, bigcharts.com, treasury.gov - 1/2/15^{5,7,8,9}

Indices are unmanaged, do not incur fees or expenses, and cannot be invested into directly. These returns do not include dividends. 10-year TIPS real yield = projected return at maturity given expected inflation.

***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.***

Getting a Jump on Tax Season

What should you bring to your preparer?

Provided by Thomas Cymer CFP® CRPC®

You can file your federal tax return starting January 20.

IRS filing season will start right on time in 2015, and there is wisdom in filing your 1040 well before April 15. You can get it out of the way earlier, and if you e-file, you can put yourself in position for an earlier refund.

What should you gather up for your CPA? If you want to save time and possibly money along with it, come to your preparer's office ready with the appropriate paperwork. If you own a business, that list includes all W-2s and 1099-MISC forms you get from clients, any 1099-INT and K-1 forms displaying interest income, your Schedule C and P&L reports, and any and all paperwork you can round up detailing your expenses - your personal expenses too, not only business costs but also any tuition, medical and miscellaneous ones. If you have made charitable contributions worth itemizing, that paperwork needs to reach your preparer. The same goes for documents detailing mortgage interest, other forms of interest paid, and any tax already paid.²

If you have receipt management software, your CPA will love you for using it (beats getting a manila envelope, file folder or shoebox full of receipts to sort through). If a calamity or an accident destroyed a bunch of your business records, remember that the IRS may give you a break - but your CPA needs solid proof of the misfortune to try and make a case to the IRS and get you some leniency.

What are some things people too often forget to bring? Social Security numbers for new babies

(and taxpayer-ID numbers and contact information for the nannies of those babies). Logs of unreimbursed mileage. Real estate stuff, too: closing letters related to a refi, receipts for real estate taxes (assuming they haven't been paid through escrow).³

If you received any health insurance subsidies, you may want to wait until February. Did you pay for your own health insurance in 2014? Do you remember how you had to estimate your 2014 income when you applied for coverage? If you got a subsidy, it was based on that estimate, and an estimate is by definition inexact. Some taxpayers ended up earning more than the incomes they estimated to the exchanges, some less. That could mean one of two things: a big 2014 tax refund, or owing thousands more in taxes.⁴

If you pay for your own health coverage, the exchange at which you bought it should send you Form 1095-A by January 31. Form 1095-A will list how your household self-insures: who pays premiums, and the amount of any monthly subsidies. Your CPA can plug these details into Form 8962, which explains the breakdown on insurance, subsidies and income for your household to the IRS. If you were only self-insured for part of 2014, your CPA must note any subsidy payments by the month.⁴

Should you jump to a new CPA? If he or she is aloof, sloppy, or seems more like a file clerk than someone interested in minimizing your tax burden, maybe you should switch. There are some tax preparers who outsource their work to people overseas, and you probably don't want that to happen to your return. We are early in 2015, and if you really have the itch to switch, consider taking your 2013 return to 2-3 candidates - not only to get a tax prep quote, but to see if they have insight on your situation that your current preparer lacks.⁵

In getting a jump on tax season, you can get that bothersome item off your to-do list sooner and focus on the more exciting parts of your career, business or life.

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

Citations.

- 1 - forbes.com/sites/robertwood/2014/12/29/irs-announces-2014-tax-return-filing-opens-starting-january-20-2015/ [12/29/14]
- 2 - outright.com/blog/what-do-you-need-to-bring-to-your-accountant-at-tax-time/ [3/18/14]
- 3 - foxbusiness.com/personal-finance/2014/03/18/what-documents-should-take-to-tax-preparer/ [3/18/14]
- 4 - money.cnn.com/2015/01/02/pf/taxes/obamacare-income-tax-subsidies/ [1/2/15]
- 5 - dailyfinance.com/2014/12/25/hire-cpa-prepare-taxes/ [12/25/14]

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 - marketwatch.com/story/ism-manufacturing-index-falls-in-december-to-slowest-rate-since-summer-2015-01-02 [1/2/15]
- 2 - haver.com [1/2/15]
- 3 - businessweek.com/news/2014-12-30/consumer-confidence-index-in-u-dot-s-dot-increased-to-92-dot-6-in-december [12/30/14]
- 4 - marketwatch.com/economy-politics/calendars/economic [1/2/15]
- 5 - markets.on.nytimes.com/research/markets/usmarkets/usmarkets.asp [1/2/15]
- 6 - markets.wsj.com/us [1/2/15]
- 7 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=1%2F2%2F14&x=0&y=0 [1/2/15]
- 7 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=1%2F2%2F14&x=0&y=0 [1/2/15]
- 7 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=1%2F2%2F14&x=0&y=0 [1/2/15]
- 7 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=12%2F31%2F09&x=0&y=0 [1/2/15]
- 7 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=12%2F31%2F09&x=0&y=0 [1/2/15]
- 7 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=12%2F31%2F09&x=0&y=0 [1/2/15]
- 7 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=1%2F3%2F05&x=0&y=0 [1/2/15]

[1/2/15]
7 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=1%2F3%2F05&x=0&y=0
[1/2/15]
7 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=1%2F3%2F05&x=0&y=0
[1/2/15]
8 - treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyield
[1/2/15]
9 - treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyieldAll
[1/2/15]

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