Thursday, December 18, 2014
12:33 PM

OPULEN
FINANCIAL GROUP

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

December 15, 2014

WEEKLY QUOTE
"Anger makes dull men witty, but it keeps them poor."
- *Queen Elizabeth I*

WEEKLY TIP
A credit card's 0% APR interest is not necessarily set in stone. A missed monthly payment may lead to it being rescinded.

WEEKLY RIDDLE
Brothers and sisters, I have none, but this man's father is my father's son. Who am I talking about?

Last week's riddle:
Olivia throws a softball as hard as she can, and even though it doesn't touch anything and nobody touches it, the softball comes right back to her. How is this possible?
Last week's answer:
She throws it straight up in the air.

AMERICANS BUY MORE, SENTIMENT INDEX SOARS
Commerce Department data showed retail sales jumping 0.7% for November - the best monthly advance recorded in a year. More good news came from the University of Michigan - its initial December consumer sentiment index came in at 93.8, way up from 88.8 at the end of last month. The improvement may reflect relief at falling gas prices as well as added belief in the economy.[1]

WHEN WILL OIL HIT BOTTOM?
Last week saw the International Energy Agency lower its estimates for 2015 global oil demand, and so NYMEX crude for January delivery finished Friday's trading day at just $57.81 a barrel. At Friday's close, oil was down 12.94% MTD and 25.90% over the past 30 days. COMEX gold futures, on the other hand, were up 4.75% MTD and settled at $1,222.50 Friday.[2,3]

WHOLESALE PRICES DIP
The Producer Price Index is yet another indicator affected by cheap oil. It declined 0.2% in November, taking the annualized gain down to 1.4%. The core PPI was flat last month and up 1.8% in a year.[1]

CRUDE PRICES DRAG DOWN STOCK PRICES
Bears freely roamed Wall Street last week, with a major selloff occurring Friday. In fact, December 8-12 represented the worst week for the Dow since 2011. The 5-day losses across the major indices were severe: DJIA, 3.78% to 17,280.83; S&P, 3.52% to 2,002.33; NASDAQ, 2.66% to 4,653.60.[2,4]

THIS WEEK: On Monday, VeriFone reports Q3 results. Tuesday offers a report on November housing starts and building permits and earnings from Darden Restaurants. Wednesday is busier: the Federal Reserve makes a policy statement, the November CPI and the latest euro area CPI arrive, and Carnival, Oracle, FedEx, General Mills and Jabil Circuit report earnings. Thursday, earnings from Rite Aid, Winnebago Industries, Nike, Accenture, Red Hat and ConAgra Foods complement a new report on initial jobless claims. Friday, BlackBerry reports earnings.

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	+4.25	+9.79	+13.01	+6.24
NASDAQ	+11.42	+16.39	+22.49	+11.66
S&P 500	+8.33	+12.78	+16.20	+6.70
REAL YIELD	12/12 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	0.46%	0.75%	1.41%	1.65%

Sources: online.wsj.com, bigcharts.com, treasury.gov - 12/12/14[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. 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.

The Market Is Up & I Am Not ... Why?

Remember that the major indices don't represent the entirety of Wall Street.

Provided by Thomas Cymer CFP®CRPC®

The S&P 500 is up about 10% YTD, why aren't I? If your investments are lagging the broad benchmark, you may be asking that very question. The short answer is that the S&P is not the overall market (and vice versa). Each year, there are money managers, day traders and retirement savers whose portfolios wind up underperforming it.[1]

Keep in mind that the S&P serves as a kind of "Wall Street shorthand." The media watches it constantly because it does provide a good gauge of how things are going during a trading day, week or year. It is cap-weighted (larger firms account for a greater proportion of its value, smaller firms a smaller proportion) and includes companies from many sectors. Its 500-odd components represent roughly 70% of the aggregate value of the American stock markets.[2]

Still, the S&P is not the whole stock market - just a portion of it.

You can say the same thing about the Dow Jones Industrial Average, which includes only 30 companies and isn't even cap-weighted like the S&P is. It stands for about 25% of U.S. stock market value, but it is devoted to the blue chips.[2]

How about the Nasdaq Composite or the Russell 2000? The same thing applies.

Yes, the Nasdaq is large (3,000+ members), and yes, it consists of insurance, industrial, transportation and financial firms as well as tech companies. It is still undeniably tech-heavy, however, and includes a whole bunch of speculative small-cap firms. So on many days, its performance may not correspond to that of the broad market.[2,3]

That also holds true for the Russell, which is a vast index but all about the small caps. (It is actually a portion of the Russell 3000, which also contains large-cap firms.)[2]

If you really want a broad view of the market, your search will lead you to the behemoth Wilshire

5000, which some investors call the "total market index." You could argue that the Wilshire is the real barometer of the U.S. market, as it is several times the size of the S&P 500 (it includes about 3,700 firms at the moment, encompassing just about every publicly-traded company based in this country. In mid-December, the Wilshire was up about 9% for 2014.[4,5]

One benchmark doesn't equal the entire market. There are all manner of indices out there, tracking everything from utility firms to Internet and biotech companies to emerging markets. As wonderful or dismal as their performance may be on a given day, week or year, they don't give you the story of the overall market. Your YTD return may even vary greatly from the gains of the big benchmarks depending on how your invested assets are allocated.

During any year, you will see certain segments of the market perform remarkably well and others poorly. Because of that ongoing reality, you must stay diversified and adopt a long-term perspective as you invest.

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

Citations.

1 - us.spindices.com/indices/equity/sp-500 [12/11/14]
2 - investopedia.com/articles/analyst/102501.asp [12/11/14]
3 - quotes.morningstar.com/indexquote/quote.html?t=COMP [12/11/14]
4 - web.wilshire.com/Indexes/Broad/Wilshire5000/Characteristics.html [12/11/14]
5 - money.cnn.com/quote/quote.html?symb=W5000FLT [12/11/14]

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 - investing.com/economic-calendar/ [12/12/14]
2 - proactiveinvestors.com/companies/news/58785/dow-drops-over-300-pts-to-end-worst-week-in-3-years-58785.html [12/12/14]
3 - money.cnn.com/data/commodities/ [12/12/14]
4 - markets.on.nytimes.com/research/markets/usmarkets/usmarkets.asp [12/12/14]
5 - markets.wsj.com/us [12/12/14]
6 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=12%2F12%2F13&x=0&y=0 [12/12/14]
6 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=12%2F12%2F13&x=0&y=0 [12/12/14]
6 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=12%2F12%2F13&x=0&y=0 [12/12/14]
6 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=12%2F11%2F09&x=0&y=0 [12/12/14]
6 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=12%2F11%2F09&x=0&y=0 [12/12/14]
6 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=12%2F11%2F09&x=0&y=0 [12/12/14]
6 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=12%2F13%2F04&x=0&y=0 [12/12/14]
6 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=12%2F13%2F04&x=0&y=0 [12/12/14]
6 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=12%2F13%2F04&x=0&y=0 [12/12/14]
7 - treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyield [12/12/14]
8 - treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyieldAll [12/12/14]

Week of Se ptember 30th, 2013

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