

Market Update 6/9/14 and Do Your Investments Match Your Risk Tolerance?

https://ui.constantcontact.com/visualeditor/visual_editor_preview.jsp?agent.uid=111761...



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

June 9, 2014

WEEKLY QUOTE

"That some achieve great success is proof to all that others can achieve it as well."

- Abraham Lincoln

WEEKLY TIP

Is it rude to negotiate a discount for goods or services? It happens more often than you may think. Buying in bulk and arranging long-term agreements are keys.

WEEKLY RIDDLE

I run but never walk, often murmur, never talk, have a bed and never sleep, have a mouth and never eat. What am I?

Last week's riddle:

What can go down a chimney when it is down, but can't go up through a chimney when it is up?

Last week's answer:
An umbrella.

HIRING CORRESPONDS TO EXPECTATIONS

Employers added 217,000 new jobs in May, just 1,000 less than analysts polled by Reuters had forecast. Over the past year, payrolls have expanded by average of 197,000 new hires a month. The jobless rate remained at 6.3% in May, but the U-6 rate (the unemployed + the underemployed) sank to 12.2%, a low unseen since October 2008.¹

SERVICE SECTOR EXPANDS AT A FASTER PACE

At 56.3, the Institute for Supply Management's non-manufacturing purchasing manager index rose 1.1 points to hit a 10-month high in May. ISM corrected its May manufacturing PMI twice last Tuesday; the final reading was at 55.4, up half a point from April's mark. May also brought a 0.7% improvement in factory orders, following a (revised) 1.5% gain for April.^{2,3}

PRECIOUS METALS RISE, OIL STAYS FLAT

Silver futures rose 1.7% last week on the COMEX, ending the week at \$18.99 an ounce. Five days of trading left gold futures 0.5% higher at \$1,252.50 an ounce at Friday's close. In base metals, copper slipped 2.3%. As for NYMEX crude, it declined just 0.05% for the week to \$102.66 a barrel.^{4,5}

SUSTAINED CONFIDENCE ON WALL STREET

The market seems to have regained some momentum of late. At the closing bell Friday, the S&P 500 settled at 1,949.44, the Dow at 16,924.28. Respective weekly gains of 1.27% and 1.16% sent them to those levels. The Nasdaq rose 1.86% across five days, ending the week at 4,321.40.⁶

THIS WEEK: Monday brings a Commerce Department report on May wholesale inventories and Q1 results from Hertz and Casey's General Stores. On Tuesday, Radio Shack reports earnings. Wednesday sees the Commerce Department release May retail sales figures and data on April business stockpiles; investors will also consider earnings from H&R Block. The University of Michigan's preliminary June consumer sentiment index arrives Thursday, along with the May PPI, a new initial jobless claims report and earnings from Lululemon Athletica. Nothing major is slated stateside for Friday, but Wall Street will interpret China's latest retail sales and industrial production reports.

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	+2.10	+12.52	+18.63	+6.29
NASDAQ	+3.47	+26.21	+26.73	+11.39
S&P 500	+5.47	+20.15	+21.47	+7.09
REAL YIELD	6/6 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	0.40%	-0.05%	1.88%	2.11%

Sources: USATODAY.com, bigcharts.com, treasury.gov - 6/6/14^{7,8,9,10}

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.

Do Your Investments Match Your Risk Tolerance?

When was the last time you looked at the content of your portfolio?

Provided by Thomas Cymer CFP® CRPC®

When turbulence hits Wall Street, are you stressed out? If you have taken on too much risk in your portfolio - which can happen through intention or inattention - stock market volatility may make you anxious. So from time to time, it is a good idea to review how your assets are invested. Your asset allocation should correspond to your tolerance for risk, and if it doesn't, it should be adjusted.

A balanced portfolio may help you come out of stock market dips in better shape. Stocks and stock funds aren't the only investment classes you can choose from, and you won't be alone if you decide to examine other investment options.

Treasuries, bonds and bond funds become attractive to investors when Wall Street turns especially volatile. Certain forms of alternative investments gain attention as well, particularly those with low or no correlation to the equities markets. Bonds tend to maintain their strength when stocks perform poorly. Some cautious investors maintain a cash position in all stock market climates, even raging bull markets.

Downside risk can particularly sting investors who have devoted too much of their portfolios to momentum/expensive stocks. A stock with a price-earnings ratio above 20 may be particularly susceptible to downside risk.¹

Underdiversification risk can also prove to be an Achilles heel. Some portfolios contain just a few stocks - in the classic example, someone has invested too heavily in company stock and a few perceived "winners." If a large chunk of the portfolio's assets are devoted to five or six stocks, the portfolio's value may be impacted if shares of even one of those companies plummet. This is why it is wise to own a variety of stocks across different sectors. The same principle applies to stock funds. If the S&P 500 corrects (that is, drops 10% or more in a short interval), the possibility grows that an aggressive growth mutual fund may dive.¹

Are you retired, or retiring? If you are, this is all the more reason to review and possibly even

revise your portfolio. Frequently, people approach or enter retirement with portfolios that haven't been reviewed in years. The asset allocation that seemed wise ten years ago may be foolhardy today.

Many people in their fifties and sixties do need to accumulate more money for retirement; you may be one of them. That sentiment should not lead you to accept extreme risk in your portfolio. You'll likely want consistent income and growth in the absence of a salary, however, and therein lies the appeal of a balanced investment approach designed to manage risk while encouraging an adequate return.

Why not take a look into your portfolio? Ask a financial advisor to assist you. You may find that you have a mix of investments that matches your risk tolerance. Or, your portfolio may need minor or major adjustments. The right balance may help you insulate your assets to a greater degree when stock market turbulence occurs.

Thomas Cymer CFP® CRPC® may be reached at 571-299-2053 or via email at tcymer@opulenfg.com
1818 Library St Suite 500, Reston VA 20190

Securities offered through NEXT Financial Group Inc. member FINRA/SIPC
Opulen Financial Group, LLC is not an affiliate of NEXT Financial Group, Inc.

Citations.

1 - k.standardandpoors.com/sites/client/wfs2/wfs/article.vnu?topic=6064&siteContent=8339 [5/5/14]

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 - tinyurl.com/nitmfeto [6/6/14]
2 - ism.ws/ISMReport/NonMfgROB.cfm [6/4/14]
3 - investing.com/economic-calendar/ [6/6/14]
4 - proactiveinvestors.com/companies/news/54617/gold-up-05-for-week-oil-settles-above-102-54617.html [6/6/14]
5 - money.cnn.com/data/commodities/ [6/6/14]

- 6 - fxstreet.com/news/forex-news/article.aspx?storyid=ac79bdce-38d8-4531-94da-147b5408ec3a [6/6/14]
- 7 - usatoday.com/money/markets/overview/ [6/6/14]
- 8 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=6%2F6%2F13&cx=0&cy=0 [6/6/14]
- 8 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=6%2F6%2F13&cx=0&cy=0 [6/6/14]
- 8 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=6%2F6%2F13&cx=0&cy=0 [6/6/14]
- 8 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=6%2F5%2F09&cx=0&cy=0 [6/6/14]
- 8 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=6%2F5%2F09&cx=0&cy=0 [6/6/14]
- 8 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=6%2F5%2F09&cx=0&cy=0 [6/6/14]
- 8 - bigcharts.marketwatch.com/historical/default.asp?symb=DJIA&closeDate=6%2F7%2F04&cx=0&cy=0 [6/6/14]
- 8 - bigcharts.marketwatch.com/historical/default.asp?symb=COMP&closeDate=6%2F7%2F04&cx=0&cy=0 [6/6/14]
- 8 - bigcharts.marketwatch.com/historical/default.asp?symb=SPX&closeDate=6%2F7%2F04&cx=0&cy=0 [6/6/14]
- 9 - treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyield [6/6/14]
- 10 - treasury.gov/resource-center/data-chart-center/interest-rates/Pages/TextView.aspx?data=realyieldAll [6/6/14]

Week of September 30th, 2013

[Forward email](#)



This email was sent to tcymer@opulenfg.com by tcymer@opulenfg.com |
[Update Profile/Email Address](#) | Instant removal with [SafeUnsubscribe™](#) | [Privacy Policy](#).
Opulen Financial Group, LLC | 1818 Library St. Suite 500 | Reston | VA | 20190

