

# WEEKLY MARKET COMMENTARY

For the Week of Feb. 6, 2012

## THE MARKETS

U.S. stocks rallied Friday on stronger-than-expected economic data, including an unemployment rate of 8.3 percent – the lowest since February 2009. The economy added 243,000 jobs in January, the most since April, propelling the NASDAQ to an 11-year high and the S&P 500 to its highest level since July 2011. Both the NASDAQ and S&P 500 saw their fifth consecutive week of gains. The Dow hit its highest level since May 2008. For the week, the Dow climbed 1.62 percent to close at 12,862.23. The S&P gained 2.22 percent to finish at 1,344.90 and the NASDAQ rose 3.16 percent to end the week at 2,905.66.

Returns Through 02/03/12	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	1.62	5.46	9.53	20.14	3.11
NASDAQ Composite (PR)	3.16	11.54	5.51	24.21	3.25
S&P 500 (TR)	2.22	7.11	5.09	19.62	0.68
BarCap US Agg Bond (TR)	-0.06	0.45	8.89	7.22	6.59
MSCI EAFE (TR)	2.27	8.36	-8.45	14.54	-3.58

Source: Morningstar.com. \*Past performance is no guarantee of future results. Indexes are unmanaged and cannot be invested into directly. Three- and five-year returns are annualized. The Dow Jones Industrials, MSCI EAFE, BarCap US Agg Bond and S&P, excluding "1 Week" returns, are based on total return, which is a reflection of return to an investor by reinvesting dividends after the deduction of withholding tax. The NASDAQ is based on price return, which is the capital appreciation of the portfolio, excluding income generated by the assets in the portfolio in the form of interest and dividends. (TR) indicates total return. (PR) indicates price return. MSCI EAFE returns stated in U.S. dollars.

**Enough?** – The maximum Social Security retirement benefit that could be earned by an individual reaching full retirement age in the year 2012 (i.e., at age 66) is \$2,513 a month (source: Social Security Administration, BTN Research).

**Taxes** – A couple filing a joint tax return for 2012 income will reach the highest federal marginal tax rate of 35 percent at \$388,350 of taxable income. Ten years ago (2002), a couple filing jointly reached the highest federal marginal tax rate of 38.6 percent at \$307,050 of taxable income (source: IRS, BTN Research).

**Three Per Year** – Inflation (as measured by the Consumer Price Index) has advanced by 2.9 percent per year over the past 25 years and by 4.1 percent per year over the past 50 years. The Consumer Price Index is a measure of inflation compiled by the U.S. Bureau of Labor Studies (source: Department of Labor, BTN Research).

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## WEEKLY FOCUS – Some ‘Free’ Credit Reports Aren’t Free

Companies offering free credit reports are pretty savvy with their marketing, using humor and catchy songs to attract consumers into using their services. The problem is that the “free” credit report offered by these companies is often just bait to get you to buy a subscription credit monitoring service. Fortunately, the Credit Card Act of 2009 requires credit reporting companies to disclose what they’re really up to – albeit in fine print or fast-paced dialogue.

You really *can* get one free credit report per year from each of the major credit reporting bureaus – Equifax, Experian and Trans-Union. You can request all three from [annualcreditreport.com](http://annualcreditreport.com), the only free credit report source authorized by federal law. Companies must post a disclosure notice about the government resource on any web page that claims to offer other “free” credit reports.

Even if you don’t need to borrow money, you should make the most of the government’s offer for free annual credit reports. Your credit score impacts not only your ability to get a loan for a home or car, but also your ability to purchase insurance or services like a cell phone at a reasonable price. You may also need access to quick credit for an emergency, disaster or catastrophic illness.

Identity thieves can do considerable damage to your credit rating in a short amount of time. Closely review and monitor your credit card and bank accounts, including any mail they send you, and consider signing up for text or email alerts. Request your credit report each year on your birthday so you never forget your last inquiry date. By reviewing your credit report annually, you can catch identity thieves early and help minimize the damage to your finances, including your credit score.

If you’d like more information about credit reports or identity theft, please contact our office. It is our pleasure to be your resource for any financial questions you may have.

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\* The Standard & Poor’s 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. The Dow Jones Industrial Average is a price-weighted index of 30 actively traded blue-chip stocks. 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 Morgan Stanley Capital International Europe, Australia and Far East Index (MSCI EAFE Index) is a widely recognized benchmark of non-U.S. stock markets. It is an unmanaged index composed of a sample of companies representative of the market structure of 20 European and Pacific Basin countries and includes reinvestment of all dividends. Barclays Capital Aggregate Bond Index is an unmanaged index comprised of U.S. investment-grade, fixed-rate bond market securities, including government, government agency, corporate and mortgage-backed securities between one and 10 years. Written by Securities America. SAI#455143