

# Weekly Market Summary – 11/25/13

The yield on U.S. 10-year Treasuries stood at 2.76 percent early Monday morning, up from last week's low of 2.66 percent. The move comes off of the Fed's recent discussion on tapering—specifically, how it could be further down the road than many investors and analysts anticipated.

Most broad-market equity indices were in positive territory last week thanks to a rally in prices on Friday. The best large-cap performer, the Dow Jones Industrial Average continues to try and close the gap on year-to-date performance versus other domestic indices. Small-cap stocks posted the best performance on the week while international markets lagged—a common theme throughout the year.

[Read more now in a Weekly Market Summary.](#)

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## Year-End Financial Planning

With the end of the year quickly approaching, it is a wonderful time to begin organizing your finances for the New Year. We've put together a list of important financial planning topics that warrant consideration.

*Presented by **Thomas Chester, CFP®***

### **Flexible spending accounts**

- ☒ Money that you've put away in your flexible spending accounts

(FSAs) must be used by year-end or it will be forfeited. Now's the time to schedule those doctor's appointments you've been meaning to attend to or to stock up on items that are eligible for flexible spending. Doing this as soon as possible may help relieve some last-minute headaches and ensure that you don't lose your hard-earned dollars.

Additionally, open enrollment begins around this time of year for certain employee benefit plans. So if you're not using an FSA, take stock of your average expenses that would qualify. This can help you determine whether setting up an FSA for 2014 makes sense for you. If you already use an FSA, assess how much extra you have left in the account or how much of a deficit you ran and use it to calculate your allotment for the New Year.

### **Medicare enrollment**

Open enrollment for Medicare started in October and ends December 7, 2013. For many, this is the only chance to change health and prescription drug coverage for 2014. If you want to make any changes, act now.

### **Recharacterization of Roth IRA rollovers or conversions**

If you converted a traditional IRA to a Roth IRA during 2013 and paid tax on the conversion, mark your calendar now to allow plenty of time to meet the October 15, 2014, deadline for recharacterizing (i.e., undoing) the conversion.

### **Reporting losses on stock sales**

Be aware of important deadlines regarding trading date closings. A trade to sell a long position must be executed by the close of the last trading date of the current year. Similarly, a trade to sell a short position must be executed so that it settles by the last trading date of the current year.

### **Retirement planning**

Review your retirement plan allocation and contribution elections. If you're not taking full advantage of any matching features or potential tax benefits for maximizing your contributions, now is the time to evaluate your ability to do

that. Also, when it comes to qualified savings, assessing your allocation to ensure that it's still in balance and pursuing your objectives will help you start the New Year off on the right foot.

### **Taking stock of savings**

Did you set savings goals for the current year? Make a realistic assessment of how well you've met those goals and think about your goals for the upcoming year. There's no reason why you can't make some financial resolutions along with your other new year's vows. If you determine that you are off track, let us help you develop and monitor a financial plan.

### **Taxes, taxes, taxes**

**RMDs and estimated taxes.** If you're turning 70½, you must devise the best strategy for taking required minimum distributions from your traditional IRA and 401(k) plans.

Be sure to take potentially large bonuses and a prosperous business year into account when considering your taxes for 2013. You may have to file estimated taxes or increase the upcoming January payment.

**Managing marginal tax brackets.** In 2013, the IRS added a 39.6-percent tax bracket, a 20-percent capital gain tax bracket, and a 3.8-percent Medicare tax on net investment income. Moreover, those in higher marginal tax brackets may be subject to an additional 0.90-percent withholding tax, as well as limits on and phase-outs of itemized deductions and personal exemptions. If a taxpayer is on the edge of the new tax thresholds, he or she may be able to defer or accelerate income or deductions to help minimize taxes.

- **The 39.6-percent marginal tax bracket** affects taxpayers with taxable incomes in excess of \$400,000 (filing single), \$450,000 (filing married), \$425,000 (filing head of household), and \$225,000 (filing married but separately).

- **The 20-percent capital gain tax rate** applies to those in the 39.6-percent marginal tax bracket.
- **Itemized deductions and personal exemption phase-outs** affect those with adjusted gross incomes above \$250,000 (filing single), \$300,000 (filing married), \$275,000 (filing head of household), and \$150,000 (filing married but separately).
- **The 3.8-percent surtax** is applied on the lesser of net investment income or the excess of modified adjusted gross income over \$200,000 (individual) and \$250,000 (married filing jointly).

**Too little or too much withholding.** Also of note is that workers with gross earned income of more than \$200,000 may have had too little or too much tax withholding in 2013. Employers may have withheld an additional 0.90-percent tax on incomes over \$200,000 without regard to the taxpayer's withholding status, which would put these taxpayers at a higher threshold. Other taxpayers may have had too little withholding because of other income unknown to the employer due to second jobs. Employees should plan to take a credit on their returns or pay additional taxes.

### **Estate planning**

To help ensure that your estate plan stays in tune with your goals and needs, you should be reviewing and updating it on an ongoing basis. If you haven't done so during 2013, take time before the end of the year to:

- Check trust funding
- Account for any life changes
- Update beneficiary designations
- Review trustee and agent appointments
- Review provisions of powers of attorney and health care directives
- Prepare for the distribution of personal effects
- Get a firm understanding of all of your documents

### **Consider seeking professional guidance**

The above list of financial planning dates is not exhaustive. We are happy to go over deadlines that are most relevant to your personal situation, so you can better prepare for the coming year.

Whatever your planning may entail, we wish you a happy, healthy, and prosperous 2014!

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# Weekly Market Summary – 11/18/2013

Investors moved back into U.S. Treasuries late last week and early Monday morning, pushing yields on the 10-year as low as 2.69 percent. Yields of 2.80 percent and 3 percent are both very strong levels for the 10-year and tend to attract some equity investors into the space. [Read more now in the Allen Insurance and Financial Weekly Market Summary.](#)

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# Weekly Market Summary -11/13/13

U.S. Treasuries sold off last week, pushing yields as high as 2.75 percent early Monday morning. The move came on the heels of better-than-expected economic news. The Federal Reserve remains dependent on data after reinstating its commitment to quantitative easing at its last meeting a couple of weeks ago. [Read more in our Weekly Market Summary.](#)

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# Weekly Market Summary – 10/28/13

Treasuries remained at their recent lows early Monday morning. The 10-year stood at 2.50 percent, the same level it has held for a few days now, following its recent drop from 2.75 percent. The market is anticipating \$96 billion in new issuance this week, as well as the next Federal Open Marketing Committee (FOMC) meeting, which is set for Tuesday and Wednesday.

[Read more now in our Weekly Market Summary.](#)

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# Weekly Market Summary – 10/15/13

Earnings season has begun, and investors will likely look for earnings to beat the relatively low bar analysts have set.

Unable to come to a deal to end the shutdown and facing a debt ceiling debate, Congress continues to inject uncertainty into the picture and limit the flow of economic data.

[Read more now.](#)

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# Weekly Market Summary – 10/7/13

The yield on the 10-year Treasury has been bouncing between 2.60 percent and 2.65 percent since September 25. As of early Monday morning, the yield stood at 2.62 percent, and it could see some downward pressure as we approach the October 17 debt ceiling deadline with no agreement in place.

The gridlock in Washington appeared to spill over into the equity markets, as some of the major large-cap indices showed little change last week. The S&P 500, for example, lost just 4 basis points (0.04 percent).

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# Weekly Market Summary – 9/30/13

The yield on the 10-year Treasury began the week at 2.60 percent, as the possibility of a government shutdown brought downward pressure. The Federal Reserve's commitment to continue its asset purchasing program, coupled with political concerns, could push rates even lower. [Read more now in our Weekly Market Summary.](#)



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# Weekly Market Summary – 9/23/13

The Federal Reserve announced on Wednesday that it would not begin tapering its bond purchases, sending Treasury yields downward. The 10-year Treasury went as low as 2.67 percent immediately following the announcement, down from as high as 2.89 percent minutes before. Yields on the 10-year had recovered to 2.74 percent Monday morning.

[Read more in our weekly market summary.](#)

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# Weekly Market Summary – 9/16/13

The news Sunday evening that Larry Summers was withdrawing as a candidate for the Fed Chairman position surprised many and sent the yield on the 10-year Treasury down to 2.8 percent early Monday morning, its lowest level in September.

Equity markets surged higher as the threat of military action against Syria dissipated and on positive global economic news. The S&P 500 gained more than 2 percent, but the Dow Jones Industrial Average posted the strongest gain for domestic equities, rising 3.10 percent. Emerging markets turned in the week's best performance, with a gain of 3.69 percent for the

MSCI Emerging Markets Index.

[Read more now in our Weekly Market Summary.](#)