W. James Steen, CFP®
jim@petrafinancialsolutions.com

Jason A. Pearson, CFP®
jason@petrafinancialsolutions.com

(O) 937.294.9000
www.petrafinancialsolutions.com

JOIN US ON FACEBOOK

MORE COMING OUT THAN GOING IN – An average high income American couple that retired in 2010 will pay $156,000 of lifetime Medicare taxes but receive $387,000 of Medicare benefits, i.e., for every $1 paid in taxes, the couple will receive $2.48 in benefits (source: Urban Institute).

SO FAR, SO GOOD - 4 out of every 5 American males (80%) that reach age 65 as a healthy individual are expected to spend the remainder of their lives without suffering a disability (source: Society of Actuaries).

PLEASE SIGN UP - The White House has estimated that 2.7 million young people between the ages of 18-35 need to sign up for their insurance on the new health insurance marketplaces (to subsidize the higher expense of insuring older Americans), an average of 14,835 a day during the 6 month enrollment period that began 10/01/13 (source: ObamaCare).

WHAT KEEPS YOU UP AT NIGHT? - More than 3 out of every 5 Americans surveyed (61%) between the ages of 44-75 fear running out of money during their retirement years more than they fear death (source: Allianz).

These are the views of James Steen & Jason Pearson. No independent analysis has been performed and the material should not be construed as investment advice. Investment decisions should not be based on this material since the information contained here is a singular update, and prudent investment decisions require the analysis of a much broader collection of facts and context. All information is believed to be from reliable sources; however, we make no representation as to its completeness or accuracy.

Turning the calendar over to the month of October in the market means 75 percent of the trading days for the year are now in the rear view mirror and there are just a few months left to close out the year. This year has been an interesting one that can be summed in a couple words: U.S. Dominance.

Despite this past month's volatility (more on that below), the U.S. Equity market remains the top ranked asset class we follow in terms of relative strength, which has been the case for three years now. The S&P 500 Index is what most people equate to the U.S. market, and for the past 15 months (through September) this Index hit a new high in each of those months. This is the longest such stretch we have ever seen in the history of the market. The second longest stretch (13 months) came in the early '90's.

Perhaps the untold story in the U.S., though, is that of the U.S. Dollar. The U.S. Dollar has gained more than 7 percent through the first nine months of the year bringing the value of our currency to its highest level in more than four years. A strong U.S. Dollar can explain a lot of the themes within the financial markets this year. For example, strong U.S. Dollar environments tend to favor U.S. Equities, and strong U.S. Dollar environments are also generally bad for commodity markets.

As discussed above, U.S. Equity remains the number one ranked asset class out of the five that we evaluate while Commodity is the weakest of the five. As we move through the month of the October we are reminded that this month, historically speaking, is associated with an elevated level of volatility, but, it is also the last month in the "seasonally weak" six month period in the market as it marks the end of the "sell in May and go away" market adage. Our short term market indicators have moved into oversold territory, and in some cases are as low as they have been in three years. We will watch for reversals up from these levels, and use that as an opportunity to put more money to work within the Equity market. Remember that November 1st is the beginning of a period in the market that is known as the "seasonally strong six month" period, and rest assured that we are paying attention to the market and how your portfolios are positioned.

Thank you for your business and support.

P.S. If you think this type of information would be of benefit to anyone you know, please share this communication with them.

PETRA
Financial Solutions, Inc.