Here's To Your Wealth
September 9, 2014

Market:

On a bootleg of a fall, 1979 concert from Passaic New Jersey, Bruce Springsteen can be heard introducing a song by saying "summer's hanging on, and the time is right for Racing in the Street." With the mid-Atlantic having its hottest weather of the year in September, and the stock market continuing to move ahead, the Boss's introduction would be an accurate depiction of the activity on Wall Street. This is especially true if an investor is focused on U.S. large cap stocks, which continue to be one of the world's hottest performers thus far in 2014 as they were in 2013.

There are several factors for this - many of which show no signs of abating. U.S. corporate earnings are strong, inflation is low, and global instability, including the twin European concerns of slowing economies and potential sanctions with Russia, is also contributing to capital flows into the U.S. stock and bond markets. The primary catalyst for strong U.S. equities remains low interest rates. Despite the Fed slowing its bond purchase program this year, global instability has contributed to keeping interest rates low. While there are signs of strength in the U.S. economy, there is still the unfortunate predicament of millions of long-term unemployed, and

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Private Wealth Magazine
as a member of their *Inaugural All-Star Research Team (2012)*

Washington Business Journal
as one of *Washington's Premier Wealth Advisors (2011, 2012, 2013)*

NABCAP
as one of the *Top Wealth Managers* in the Washington,

the historic length of the average unemployment. So as long as these issues are present - and they do not look to be improving - Janet Yellen and the Fed will not take substantial actions to raise rates. Despite the cries and fears of those who say the easy money will lead to an explosion of inflation, there is no indication that inflation will climb any time soon. Typically, for inflation to take root, wage pressure, a rapidly growing economy, or a supply shock such as a surge in energy prices needs to be present; none of which is being factored in right now.

Speaking of low energy prices, the low cost of energy (which we have written about previously) provides benefits to many areas of the economy. With U.S. energy production at all-time highs, and with global (European) economic growth slowing, there is little pressure on oil prices to skyrocket. Of course, that could change with all the craziness in the Middle East, but for now, oil prices are playing a positive role in subduing inflation and aiding corporate bottom lines. Couple this low cost of energy with continued advances in technology which lowers costs throughout the economy, and inflation pressures are very low.

Looking at all these positives for stocks it is easier to see why companies that were "Born in the USA" have been climbing. And while we are as concerned as anyone about headline risk and some normal market corrections, the bottom line is that there are several factors in place to help us remain confident in being invested.

Weekly Update for the Week Ending September 5, 2014

DC Metropolitan Region (2011, 2012, 2013)

SmartCEO Magazine
as a *Top Wealth Manager (2012)*

Consumers' Research Council of America
as one of *America's Top Financial Planners* (2008 - 2012)

DC Magazine
as a *Five Star Wealth Manager* (2012)

Financial Advisor Magazine
as an *All-Star Research Manager (2012)*

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Quote of the Day:

"Pessimism and optimism are slammed up against each other in my records, the tension between them is where it’s all at. It’s what lights the fire"

--Bruce Springsteen

Mark

P.S. Please feel free to forward this commentary to family, friends, or colleagues. If you would like us to add them to the list, please reply to this e-mail with their e-mail address and we will ask for their permission to be added.

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*The ***Dow Jones Global Indexes (DJGI)*** is a family of international equity indexes, including world, region, and country indexes and economic sector, market sector, industry-group, and subgroup indexes created by Dow Jones Indexes a unit of Dow Jones & Company best known for the Dow Jones Industrial Average.

The indexes are constructed and weighted using market value-weighted index. They provide 95 percent market capitalization coverage of developed markets and emerging markets. More than 3000 DJGI indexes provide data on more than 5500 companies around the world. Market capitalization is float-adjusted

*The ***DJIA*** is a widely followed measurement of the stock market. The average is comprised of 30 stocks that represent leading companies in major industries.

* 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 ***NASDAQ*** Composite Index is a market-valued weighted index, which measures all securities listed on the NASDAQ stock market.

*The ***S&P Mid Cap 400 Index*** This Standard & Poor’s index serves as a barometer for the U.S. mid-cap equities sector and is the most widely followed mid-cap index in existence. To be included in the index, a stock must have a total market capitalization that ranges from roughly $750 million to $3 billion dollars. Stocks in this index represent household names from all major industries including energy, technology, healthcare, financial and manufacturing.

*The ***Russell 2000 Index*** is a small-cap stock market index of the bottom 2,000 stocks in the Russell 3000 Index
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* The ***MSCI EAFE***Index is a stock market index that is designed to measure the equity market performance of developed markets outside of the U.S. & Canada. It is maintained by MSCI Barra,[1] a provider of investment decision support tools; the EAFE acronym stands for **Europe, Australasia and Far East.**

* The ***Emerging Markets Index***s a float-adjusted market capitalization index that consists of indices in 21 emerging economies: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

*The **Merrill Lynch US High Yield Master II Index** (H0A0) is a commonly used benchmark index for high yieldcorporatebonds. It is administered by Merrill Lynch . The Master II is a measure of the broad high yield market, unlike the Merrill Lynch BB/B Index\ which excludes lower-rated securities.

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