

For the Week of January 25, 2010

## THE MARKETS

Political uncertainty and some disappointing earnings reports led the markets to a three-day decline last week. President Obama’s proposal to prohibit banks from owning, sponsoring or investing in hedge funds for proprietary profit raised concerns for some major banks. In addition, Ben Bernanke’s confirmation to a second term as Fed chairman seems uncertain, and the Democrats lost their hold on the Senate super-majority after the election of a Republican to fill Ted Kennedy’s seat in Massachusetts. Disappointing earnings from Google and warnings from several other companies also brought the markets lower, according to Reuters. For the week, the Dow lost 4.09 percent to close at 10,172.98. The S&P fell 3.88 percent to finish at 1,091.76, and the NASDAQ dropped 3.61 percent to end the week at 2,205.29.

Returns Through 1/22/10	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials	-4.09	-2.31	29.23	-3.95	2.19
NASDAQ Composite	-3.61	-2.81	50.48	-3.20	1.63
S&P 500	-3.88	-2.01	35.10	-6.39	0.74
BarCap US Agg Bond (TR)	0.25	1.47	7.95	6.51	5.16
MSCI EAFE	-3.73	-0.92	47.59	-6.51	4.05

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 S&P, excluding “1 Week” returns, is a reflection of return to an investor, by reinvesting dividends after the deduction of withholding tax.

**Strong Lead, Weak Jobs** – The Conference Board reported last week that eight of the 10 components of the leading economic indicators index showed improvement last month, causing the index to rise 1.1 percent compared to the 0.7 percent increase that economists expected, according to a Thomson Reuters poll. Job creation, however, has lagged, with the Labor Department reporting that new jobless claims rose slightly for the week ending Jan. 16. Economists had expected a small decline, according to Thomson Reuters. Companies have been cutting fewer jobs but have not yet ramped up hiring, the news source said.

**Down & Up** – The NASDAQ Composite was up 45.3 percent (total return) in 2009 after losing 40.0 percent in 2008. The NASDAQ Composite is an unmanaged index of securities traded on the NASDAQ system (Source: BTN Research).

**When the Fed Acts** – The last time the Fed started tightening interest rates (i.e., a first rate hike) was June 30, 2004. In the six months prior to that June 2004 Fed rate hike, the S&P 500 gained 3.4 percent (total return). In the six months after that June 2004 Fed rate hike, the S&P 500 gained 7.2 percent (Source: BTN Research).

**Lonesome Highway** – American auto sales (i.e., cars and trucks) in calendar year 2009 totaled 10.4 million, down from 13.2 million in 2008. The 2.8 million fewer sales (i.e., 2009 vs. 2008) is equal to 234,000 fewer autos sold per month in 2009 when compared to 2008 (Source: Autodata).

## WEEKLY FOCUS – Helping Haiti While Avoiding Scams

Disasters – whether man-made or natural, at home or across the globe – seem to bring out the best in Americans, who quickly mobilize to send money, supplies and manpower to distressed areas. Unfortunately, the eagerness to help and the urgency of the response create a perfect storm for the unscrupulous to launch their schemes.

The FBI and computer-security companies have issued warnings about emails and websites asking for donations to Haiti relief efforts. According to Proofpoint, a computer-security firm, suspicious links to websites rose by 400 percent in the days following the initial earthquake on the island. These emails can look legitimate – some report to come from the British Red Cross and include the London address of the Red Cross where responders can wire funds via Western Union. The email contact is wrong, however, and the British Red Cross does not accept donations via Western Union.

In addition, online searches for terms like “Haiti relief fund” or “Haiti donations” can yield results for scammer websites intended to collect information like your credit card number or deliver malware that can compromise your computer. The FBI recommends that consumers make contributions directly to known organizations. You can find lists of legitimate websites for donations at [www.whitehouse.gov](http://www.whitehouse.gov), the United Nations at [www.un.org/en/](http://www.un.org/en/) and the Red Cross at [www.redcross.org](http://www.redcross.org).

Making charitable donations has become easier in an electronic age. Unfortunately, so has fraud. Protect yourself by ensuring your donations are being made through a legitimate relief organization. If you choose to make donations online, be proactive and use one of the sources above. Do not respond to email or telemarketing solicitations, even if they appear to be from reputable organizations. If you have any questions about sending money to Haiti relief efforts, or any charitable organization, please feel free to call our office.

### BONNETT WEALTH MANAGEMENT

11930 Arbor Street, Suite 201, Omaha, NE 68144-2998

(402) 556-8858 ♦ (800) 956-8858 ♦ (888) 766-7488 Fax

[www.bonnettwm.com](http://www.bonnettwm.com)

Jerome “Joe” P. Bonnett, Jr. — Registered Representative. Securities offered through Securities America, Inc., Member FINRA/SIPC  
Advisory services offered through Securities America Advisors, Inc. Bonnett Wealth Management and Securities America Companies are unaffiliated.

\* 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# 302834