

**For the Week of November 29, 2010**

## THE MARKETS

The markets ended the week with mixed results, as escalating tensions between North and South Korea and a possible bailout for Ireland tempered hopes for a strong start to the holiday shopping season. According to the Associated Press, the European Union on Sunday approved a \$90 billion (U.S.) loan package for Ireland, but concerns remain about similar economic woes in Portugal and Spain. Economic reports due out this week include housing, manufacturing and consumer confidence data on Tuesday, as well as the November jobs report on Friday. The markets were closed last Thursday for the Thanksgiving holiday and open for shortened trading hours on Friday. For the week, the Dow lost 0.96 percent to close at 11,092.00. The S&P fell 0.82 percent to finish at 1,189.40, and the NASDAQ climbed 2.71 percent, ending the week at 2,534.56.

| Returns Through 11/26/10 | 1 Week | YTD   | 1 Year | 3 Year | 5 Year |
|--------------------------|--------|-------|--------|--------|--------|
| Dow Jones Industrials    | -0.96  | 9.04  | 8.90   | -1.71  | 3.00   |
| NASDAQ Composite         | 2.71   | 12.07 | 17.24  | -0.69  | 2.39   |
| S&P 500                  | -0.82  | 8.63  | 9.27   | -3.27  | 0.84   |
| BarCap US Agg Bond (TR)  | 0.00   | 7.50  | 6.18   | 6.19   | 6.12   |
| MSCI EAFE                | -3.45  | 1.91  | 3.65   | -8.65  | 2.20   |

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.

**One Opinion** – Warren Buffett predicted on Nov. 12, 2009, that “the bottom has come in stocks” and encouraged investors to “not pass on something that’s attractive today.” From the close of trading on Nov. 12, 2009, to the close of trading on Nov. 12, 2010, the S&P 500 gained 12.5 percent (total return). The S&P 500 is an unmanaged index of 500 widely held stocks that is generally considered representative of the U.S. stock market (Source: BTN Research).

**It’s a Small(er) World** – The average size of a new home constructed in the U.S. in 2009 was 2,137 square feet, down from a peak average size of 2,277 square feet in 2007. That reduction of 140 square feet is roughly equivalent to a 12 foot x 12 foot room. Thirty years ago (i.e., 1980), the average size of a new home built in the U.S. was 1,595 square feet (Source: Joint Center for Housing Studies of Harvard University, BTN Research).

**The Max** – The maximum amount an employee may contribute on a pretax basis to his/her 401(k) plan in 2011 will be \$16,500, unchanged from the 2010 maximum. The \$16,500 amount does not include the \$5,500 catch-up deferral amount available to individuals at least age 50. The maximum pretax deferral was \$10,500 in 2000 and was \$7,979 in 1990 (Source: IRS, BTN Research).

**WEEKLY FOCUS – Year-End Risk Review****WEEKLY FOCUS – Consumers Going Back to Gift Cards**

More than three quarters of shoppers surveyed by the National Retail Federation (NRF) plan to buy at least one gift card – the same number as last year – but they plan to spend more on each. Total gift card spending fell 5 percent in 2008 and another 5 percent in 2009 due to economic conditions, according to NRF. The group estimates that total spending on cards in November and December will reach \$24.78 billion, an almost 5 percent increase from 2009.

In August, new federal rules regarding fees and expiration dates took effect for gift cards from retailers and companies like MasterCard, Visa, American Express or Discover. Under the new rules, the card cannot expire for five years from the date of purchase or the last date money was added onto the card. Issuers can only charge an inactivity fee if the card has not been used for at least one year, but they can still charge a fee for the purchase of the card or to replace a lost or stolen card.

All fees and expiration dates must be printed on the card itself for cards produced after April 1, 2010. Cards printed before that date are exempt from the disclosure requirement until Jan. 21, 2011. The new rules regarding fees and expiration apply, regardless of the terms stated on the card.

While the new rules have made gift cards more user friendly, the cards still carry the risk of being forgotten and not used during the first year or the issuer going out of business. For that reason, recipients should use the cards as soon as possible. A Consumer Reports ShopSmart survey in October 2009 found that 25 percent of those who received a gift card for the 2008 holidays had not yet used them.

Gift cards can be a great option when your loved one prefers cash or is difficult to buy for. They can also help the giver stick to a holiday gift budget. After all, any savings and investment plan depends on your commitment to a spending plan. Call us if you'd like to review your financial goals.

**BONNETT WEALTH MANAGEMENT**

14710 West Dodge Rd., Suite 203, Omaha, NE 68154  
(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 #308064