



For the Week of January 11, 2010

THE MARKETS

The Labor Department gave investors a good news-bad news report on Friday; revised numbers for November showed employers added 4,000 new jobs, the first job gains in almost two years. At the same time, December's report showed a loss of 85,000 jobs, far higher than the 8,000 that economists expected, according to the Associated Press. Despite unemployment remaining at 10 percent, the Dow and S&P ended the week at their highest levels since Oct. 1, 2008. For the week, the Dow gained 1.91 percent to close at 10,618.19. The S&P rose 2.74 percent to finish at 1,144.98, and the NASDAQ increased 2.12 percent to end the week at 2,317.17.

Returns Through 1/8/10	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials	1.91	1.91	25.35	-2.43	2.66
NASDAQ Composite	2.12	2.12	43.30	-1.68	2.10
S&P 500	2.74	2.74	28.89	-4.67	1.39
BarCap US Agg Bond (TR)	0.43	0.43	6.27	6.04	5.10
MSCI EAFE	2.34	2.34	31.28	-4.97	4.59

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.

Making More – The Institute for Supply Management said December's manufacturing index reading of 55.9 was the highest growth rate in three years, up from November's reading of 53.6. Analysts had expected a reading of 54.3, according to a Thomson Reuters poll. The index for new orders, which signals future manufacturing activity, rose from 60.3 in November to 65.5 in December (Source: USA Today).

Highs And Lows – The S&P 500 has gained at least 20 percent (total return) in 18 of the past 50 years, or 36 percent of the time. The stock index produced a positive total return in 38 of the past 50 years, or 76 percent of the time. The best year for the index in the past half century was 1995 when the S&P 500 was up 37.6 percent, and the worst year was 2008 when the index suffered through a 37.0 percent total return loss (Source: BTN Research).

Inside the Index – Forty-nine of the 500 stocks (i.e., 10 percent of the stocks) in the S&P 500 gained at least 100 percent (i.e., the stock price doubled) in 2009; 81 stocks in the index (i.e., 16 percent of the stocks) gained at least 75 percent last year; 146 stocks (i.e., 29 percent of the stocks) gained at least 50 percent; and 71 stocks (i.e., 14 percent of the stocks) finished the year with a stock price lower than where it started the year (Source: BTN Research).



Weekly Market Notes

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WEEKLY FOCUS – Turning Resolutions Into Habits

Making New Year's resolutions has become almost cliché, because, let's face it, most of us can't make it to the end of January. The trick is tying your resolution to your current behavior and making it a habit.

Let's say you have resolved in 2010 to increase your 401(k) contributions. With your current budget, you may not have extra cash readily available, so you need to look for an expense you can cut to free up funds.

Denying yourself something you count on or truly enjoy can be the first step in failing to keep your resolution – just ask a chocolate lover who has tried to quit cold turkey as part of a diet, only to boomerang the next week by eating a whole box of truffles. You need to be creative to find expenses you can live without, without feeling denied. For example, maybe you love the silver screen and you reward yourself at the end of each work week with a night out at the movies. Using round numbers, you and your spouse will spend \$20 for tickets.

What do you spend on snacks? Two drinks and a tub of popcorn can easily run \$15 to \$20 at most theaters. Instead of giving up movie night altogether, what about having that snack before you leave home? Cost of two 20-ounce bottles of pop and a bag of microwave popcorn – less than \$5. You've saved \$10 to \$15. Do that every week, and you've saved \$40 to \$60 a month – approximately \$500 to \$700 a year – without giving up your movie night completely.

This is just one example of habits – like buying snacks at the theater – that can be eliminated without losing the things you need or love – like movies. If you can't eliminate it entirely without feeling deprived or resentful, try reducing or making it a reward. For example, if you stick to your movie snack goal for three months, reward yourself for one night with those two sodas and popcorn – extra large with extra butter!

Your financial resolutions for 2010 may be bigger than an extra \$500 in your 401(k) this year. We can help you find ways to achieve your dreams this year, and for many more, no matter how big or small. Call our office to schedule time for discussing what you want to accomplish this year.



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* 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# 302544