

The Markets

“The future’s so bright, I gotta wear shades.”

For the last several weeks investors have appeared to agree with the sentiment expressed in the 1980s song by Timbuk3. A high degree of investor optimism has helped push markets higher.¹ The trend continued last week as the National Association of Active Investment Managers’ weekly survey found that professional investors are as bullish as they have been since the survey began six years ago.² That may be part of the reason that the Dow Jones Industrial Index moved to within one percent of its all-time high during Friday’s rally.³

With markets hitting new highs, investors have to ask: Are stocks fully valued in general? According to noted economist Robert Shiller, stocks are somewhat pricey relative to earnings, but not as expensive as they have been in the past.⁴ The Standard & Poor's 500 Index recently traded at about 13 times expected earnings for 2013. It traded at 15.2 times expected earnings in October of 2007 and at 25.6 times in March of 2000.⁵ Forecasted or expected earnings reflect analysts’ estimates of companies’ earnings going forward. They are projections that help analysts evaluate companies’ potential and not facts.⁶

While contrarians – individuals who invest against prevailing market trends⁷ – may argue that all of this optimism means it’s a good time to bet against equity markets, historically strong performance during January often has been followed by strong annual performance. There have been notable exceptions, of course, including 1987 and 1997.²

Data as of 2/1/13	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 (Domestic Stocks)	0.7%	6.1%	14.3%	11.6%	1.6%	5.8%
10-year Treasury Note (Yield Only)	2.01	N/A	1.9	3.7	3.6	4.0
Gold (per ounce)	0.5	-1.5	-4.1	15.4	12.8	16.3
DJ-UBS Commodity Index	1.2	2.4	-1.3	2.4	-5.6	1.9
DJ Equity All REIT TR Index	-0.7	4.2	16.1	21.0	5.9	12.6

Notes: S&P 500, Gold, DJ-UBS Commodity Index returns exclude reinvested dividends (gold does not pay a dividend) and the three-, five-, and 10-year returns are annualized; the DJ Equity All REIT TR Index does include reinvested dividends and the three-, five-, and 10-year returns are annualized; and the 10-year Treasury Note is simply the yield at the close of the day on each of the historical time periods.

Sources: Yahoo! Finance, Barron’s, djindexes.com, London Bullion Market Association.

Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly. N/A means not applicable.

THE UNFLATTERING NAMES FOR VICTIMS of elder financial abuse – freeloader’s friend, human ATM, pushover partner – may go a long way toward explaining why the crime often goes unreported. The Administration on Aging (AoA) suggests that for every documented case of elder abuse, up to five cases may go unreported.⁸

Elder financial abuse occurs when someone – a stranger, a family member, a trusted professional, or someone else – illegally takes or uses the assets or property of an older individual or accepts payment for goods and services that are never delivered.⁹ Despite underreporting, the cost to Americans over the age of 60 is enormous. A 2011 study of elder abuse estimated that the annual financial loss suffered by victims was almost \$3 billion.¹⁰

In an effort to focus attention on the problem, the AoA declared 2013 the Year of Elder Abuse Prevention (YEAP). The organization has developed materials and resources to raise awareness about and protect against elder abuse.¹¹ Here are a few of their suggestions:

- Call or visit elderly relatives, friends, and neighbors regularly.
- Offer to fill in for a caregiver for a few hours or days.
- Engage older acquaintances by asking them to share their talents and skills.
- Ask faith leaders to discuss the issue of elder abuse with their congregation.
- Ask the local bank manager to teach tellers the signs of elder financial abuse.
- Suggest to the local paper, radio, or TV station that it cover World Elder Abuse Awareness Day or YEAP.

Source: Administration on Aging Fact Sheet⁸

Educating older people about telephone and computer scams may be a wise idea since fraud can be a significant way in which elders are parted from their money.¹⁰ To learn more about YEAP and protecting elders from abuse of all types, visit the AoA web site at www.aoa.gov.

Weekly Focus – Think About It

“The future belongs to those who believe in the beauty of their dreams.”

—Eleanor Roosevelt, *First Lady*¹²

Best regards,
From your Petra Benefits Team

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.

- * This newsletter was prepared by Peak Advisor Alliance. Peak Advisor Alliance is not affiliated with the named broker/dealer.
- * 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 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.
- * Gold represents the London afternoon gold price fix as reported by the London Bullion Market Association.
- * The DJ Commodity Index is designed to be a highly liquid and diversified benchmark for the commodity futures market. The Index is composed of futures contracts on 19 physical commodities and was launched on July 14, 1998.
- * The DJ Equity All REIT TR Index measures the total return performance of the equity subcategory of the Real Estate Investment Trust (REIT) industry as calculated by Dow Jones.
- * Yahoo! Finance is the source for any reference to the performance of an index between two specific periods.
- * Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance.
- * Past performance does not guarantee future results.
- * You cannot invest directly in an index.
- * Consult your financial professional before making any investment decision.

¹ <http://www.reuters.com/article/2013/01/18/us-markets-stocks-idUSBRE90D0CG20130118>

² <http://finance.yahoo.com/blogs/michael-santoli/dow-run-14-000-humbles-worriers-now-220924581.html>

³ http://online.barrons.com/article/SB50001424052748703892404578271912678514142.html?mod=BOL_hpp_highlight_top

⁴ <http://www.latimes.com/business/money/la-fi-mo-as-dow-flirts-with-14000-are-stocks-cheap-20130129,0,7716581.story>

⁵ http://online.wsj.com/article/SB10001424127887323539804578259690846809134.html?mod=googlenews_wsj

⁶ <http://www.investopedia.com/terms/f/fowardlookingearnings.asp#ixzz2Jr0isZFg>

⁷ <http://www.investopedia.com/terms/c/contrarian.asp#ixzz2JqqLIwkN>

⁸ http://www.aoa.gov/AoARoot/AoA_Programs/Elder_Rights/YEAP/docs/Fact%20Sheets/AoA-

⁹ [119%20YEAP%20InfoFact%20Sheets_10ThingsAnyoneCanDo%28nm%291.4d.508.pdf](http://www.preventelderabuse.org/elderabuse/fin_abuse.html)

⁹ http://www.preventelderabuse.org/elderabuse/fin_abuse.html

¹⁰ <https://www.metlife.com/assets/cao/mmi/publications/studies/2011/mmi-elder-financial-abuse.pdf>

¹¹ http://www.aoa.gov/AoARoot/AoA_Programs/Elder_Rights/YEAP/index.aspx

¹² <http://www.brainyquote.com/quotes/quotes/e/eleanorroo100940.html>

ROCKY ALEXANDER & STEPHEN FOSTER – INVESTMENT ADVISOR REPRESENTATIVES

Securities and investment advisory services offered through Royal Alliance Associates, Inc., member FINRA, SIPC, and a Registered Investment Advisor.
Petra Benefits Financial Services, LP is not affiliated with Royal Alliance Associates, Inc. or registered as a broker-dealer or investment advisor.
Securities services offered in Texas, Oklahoma and Washington.