

THE PLANNING GROUP

A Wealth Management Firm

Weekly Commentary Report December 27, 2011

Big Picture^{10, 11, 12}

I thought I would add some additional comments from another of our money managers, Day Hagan from their weekend Weekly Update whose outlook has moved to a more positive one over the last month or so -

"If the indicators we show remain positive on balance, we will maintain our bullish outlook for U.S. equities. If the weight-of-the-evidence turns against us and our models and indicators deteriorate, we will quickly re-allocate in response. This reflects the beauty of being disciplined and financially invested; not emotionally invested."

The Markets⁷

The markets powered into the three-day Christmas weekend and the approach of the New Year with strong upward momentum. The Dow was up+3.60% for the week and +6.19% for the year, the S & P 500 up 3.74% for the week and +0.61% for the year, while the NASDAQ Composite was up 2.48% for the week and down 1.29% for the year. Total return for the S & P 500, including dividends, is +2.7% for the year.

The NASDAQ appears likely to close out the year in negative territory, partly due to weakness in Oracle (ORCL) - according to analysts' expectations. Concerns about a recession in Europe, slower growth in the U.S., and supply troubles in Asia have also chilled the tech market.

The U.S. Treasury yields were up again this week. The game of political "chicken" last week did not help matters. Mortgage rates remained somewhat unchanged last week, despite the overall positive housing market news.

Although oil prices jumped a bit last week, gasoline prices continued their recent slide. The Euro continued its weakness versus the U.S. dollar.

Additional Thoughts On The Markets^{7, 10, 13}

There are only four trading days left in the year, which will go down as a major disappointment for most investors: Corporate profits were at near-record levels. Inflation is at reasonably low levels. Oil traded at under \$100 per barrel much of the year. Yet, 2011 is likely to end essentially flat.

This past week layoffs declined getting closer to a normal level, but businesses are still slow on hiring and increasing wages. The housing markets were significantly higher than

in recent months and forecasts, but the jump was largely due to multi-family (apartments) starts, and single family data suggests we are far from an imminent recovery. The good news is housing prices and sales may have leveled off. On the European front, the successful auction of Spanish bonds resulted in a significant drop in interest rates and Germany's business economy report was more positive than anticipated.

A number of experts suggest 2012 doesn't look much better, given the ongoing indecisiveness in Europe, political gridlock in Washington, a presidential election campaign, slow economic growth, and ongoing high unemployment don't add up to a favorable formula for the markets in the year ahead.

Financial Facts⁷

Not really a financial site - www.northpole.com – an interesting site for children and adults in terms of activities, recipes, and other information to brighten the holidays.

Chuckle For The Day

"In times of joy, all of us wished we possessed a tail we could wag." ~ *W.H. Auden*

Additional Thoughts

"A teacher affects eternity; she can never tell where her influence stops." ~ *Henry Adams*

"Some men have thousands of reasons why they cannot do what they want to, when all they need is one reason why they can." ~ *Willis Whitney*

"Dream lofty dreams, as you dream, so shall you become. Your vision is the promise of what you one day shall be: your ideal is the prophecy of what you shall at last unveil." ~ *James Allen*

"If you have a brain in your head and feet in your shoes, you can steer yourself in any direction you choose." ~ *Dr. Seuss*

Best regards,

Reid Johnson and the Investment Team

* The content of this newsletter has been prepared solely for informational purposes and is not an offer to buy or sell or a solicitation of an offer to buy or sell any security or to participate in any particular investment strategy. We derive information from a variety of sources we consider reliable, but we do not represent that the information is accurate or complete. The opinions and statements herein are subject to significant business, economic and competitive uncertainties and actual results could be materially different, thus there are no guarantees and are subject to change at any time. Financial planning and investment advisory services are offered through The Planning Group of Scottsdale, LLC, and Ives Asset Management, Inc., both firms are SEC Registered Investment Advisor and. Certain securities may be offered through Meridian United Capital, LLC, a registered broker/dealer and FINRA member firm. You should consult your financial professional before making any investment decision.

* 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. 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 DJ Global ex US is an unmanaged group of non-U.S. securities designed to reflect the performance of the global equity securities that have readily available prices. 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.

⁷ The source for the information was derived from Bob LeClair's *Finance & Markets Newsletter 12/26/11*

¹⁰ Information derived from John Mauldin as noted in this weekend's *FrontLine Thoughts 12/26/11*.

¹¹ Information derived from *Day Hagan Asset Management 12/27/11*

¹² Information derived from Bob Kendall as noted in his weekend's *Weekly Commentary 12/27/11*

¹³ Information derived from Wasmer & Schroeder as noted in this week's *Bond Market Weekly 12/27/11*

* Yahoo! Finance is the source for any reference to the performance of an index between two specific periods.

*To unsubscribe from the Weekly Commentary please reply to this e-mail with "Unsubscribe" in the subject line, or write us at:

Scottsdale Office - 8800 N. Gainey Center Drive - Suite 176 - Scottsdale - Arizona - 85258-2122
Sun City West Office - 13912 W. Stardust Blvd. - Suite 119 - Sun City West - Arizona - 85375
Telephone (480) 596-1580 - (888) 596-1580 - Fax (480) 596-2165 - e-mail - kris@theplanninggroup.com
www.theplanninggroup.com