

For the Week of July 12, 2010

## THE MARKETS

The markets shook off the pessimism of the end of the second quarter with their highest weekly gains in almost a year last week. The Dow and S&P had their best weeks since July 13, 2009, while the NASDAQ had its biggest gain since Oct. 5, 2009, according to the Associated Press. Earnings reports begin Monday, with Thomson Reuters expecting an increase in second-quarter profits of 27 percent over last year. During the shortened trading week (markets were closed Monday, July 5, for Independence Day), no further negative news came from Europe, while China decided to renew Google's license to do business there. For the week, the Dow gained 5.35 percent to close at 10,198.03. The S&P rose 5.47 percent to finish at 1,077.96, and the NASDAQ increased 5.00 percent to end the week at 2,196.45.

Returns Through 7/9/10	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials	5.35	-0.80	28.09	-6.63	2.18
NASDAQ Composite	5.00	-3.20	25.33	-6.30	0.78
S&P 500	5.47	-2.32	24.62	-9.02	-0.24
BarCap US Agg Bond (TR)	-0.02	5.22	8.65	7.67	5.63
MSCI EAFE	5.02	-8.90	15.20	-12.60	2.03

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.

**Who Is Buying What** – Foreigners bought a net \$223.5 billion of U.S. stocks and bonds in March and April 2010 (i.e., the difference between the amount that foreigners bought in American securities vs. the amount that Americans bought in foreign securities), the second largest back-to-back monthly total ever recorded. This record amount may suggest confidence in the U.S. economy by foreign investors. The government has tracked this data since May 1978 (Source: Treasury Department, BTN Research).

**Better Than Expected** – The U.S. government had anticipated that it would be able to borrow money through the sale of 10-year Treasury notes during the 2010 calendar year at an average yield of 3.90 percent. The yield on the 10-year Treasury note ended 2009 at 3.84 percent but had fallen to 3.10 percent by June 25, 2010 (Source: Office of Management and Budget, BTN Research).

**Billions** – Using the Treasury Department's projection of \$3.72 trillion of spending, the U.S. government is anticipating spending of \$10.2 billion every day during fiscal year 2010 (i.e., the 12 months ending Sept. 30, 2010). There are 371 Americans (out of our total population of 310 million) that are worth at least \$1 billion. One billion seconds is equal to 31 years, 8½ months (Source: Treasury Department, Forbes, BTN Research).

## WEEKLY FOCUS – Who Needs Your Social Security Number?

Because Social Security numbers (SSN) are unique to each individual, many businesses have made them the method of choice for establishing identity on customer accounts. That's why having your SSN makes it so easy for an identity thief to set up bogus accounts in your name – and why you should push back on businesses who demand it from you.

Who really needs your SSN? Your employer and your bank or financial service company may require it to comply with federal law, and if you use Medicare or Medicaid, your doctor's office will need your SSN to file claims for those charges. Beyond that, few others actually need your SSN. What they do need is some form of identification. A driver's license, state-issued identification or passport is usually preferred, and some companies will ask for a second piece of ID to confirm your license. This can often take the form of a birth certificate, credit card bill, bank statement, pay stub or company security badge. Just make sure none of those documents contain your SSN.

Be prepared to offer these forms of identification when you decline to give your SSN. You may be told that you cannot conduct business with the company without divulging your SSN. Ask for a supervisor – and keep asking, on up the chain of command until you find someone who understands the importance of guarding your SSN and agrees to accept other forms of identification. If that doesn't work, consider paying cash rather than establishing credit or billing account – or find another company to do business with.

On average, victims of identity theft spend 60 hours and \$1,180 cleaning up the damage, according to the Federal Trade Commission. Take the first step in protecting yourself by giving your SSN only to those who truly – by law – need that information. If you have questions about how we use and protect your SSN or when a requirement to provide your SSN is legitimate, please feel free to contact our office at any time

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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.

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