

Weekly Commentary November 16, 2009

The Markets

Can Sir Isaac Newton's first law of motion help explain the continuing surge in the stock market?

In 1686, the great mathematician and physicist first presented his three laws of motion. The first law stated that, "Every object will remain at rest or in uniform motion in a straight line unless compelled to change its state by the action of an external force." Well, some unknown "external force" compelled the stock market to change its downward spiral in early March and since then, it's been up, up, and away.

Last week, the S&P 500 index rose another 2.3%, stopping just shy of the 1,100 mark. Better than expected earnings from companies such as Disney and Abercrombie plus more merger and acquisition activity (Hewlett-Packard agreed to buy 3Com at a large premium) helped keep the market in upward motion. Gold continued its fabulous run and finished the week with its ninth gain in the past 10 trading days, according to Associated Press. And, the U.S. dollar became cheaper last week against most of its major counterparts, partly due to reports showing other countries are recovering faster than the U.S., according to Bloomberg.

We are keeping our eyes and ears open for early signs of an "external force" that may change the upward course of the markets. In the meantime, enjoy the ride.

Data as of 11/13/09	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 (Domestic Stocks)	2.3%	21.0%	25.2%	-7.6%	-1.6%	-2.4%
DJ Global ex US (Foreign Stocks)	2.3	39.0	48.3	-4.3	4.5	1.5
10-year Treasury Note (Yield Only)	3.4	N/A	3.8	4.6	4.2	5.9
Gold (per ounce)	0.7	26.9	54.7	21.0	20.3	14.3
DJ-UBS Commodity Index	0.2	12.3	6.6	-7.7	-2.8	3.7
DJ Equity All REIT TR Index	6.2	19.4	24.4	-12.6	-0.3	10.3

Notes: S&P 500, DJ Global ex US, 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 or not available.

We spent 2008 and 2009 protecting your wealth from the market meltdown. Others weren't that lucky. U.S. investors lost more than 6 trillion dollars—everything from college money to retirement cash. And the worst may not be over. We know these are very stressful economic times. We also know buying stock, holding onto it, and hoping for positive returns, will no longer cut it for the long term. Remember—hope is not a strategy. We would be happy to stress test your portfolio. The Family Index Stress TestSM is critical for people who have money in the market. That's why **Denver Financial Group, Inc.** has introduced the Family Index Stress TestSM. This exclusive new tool will help investors see how their portfolios stack up under various economic scenarios. You can request a report on how Family Index Stress Test can reveal weaknesses in your portfolio. Send an email to Albina at atomashuk@DenverFinancialGroup.com.

Weekly Focus – Think About It

“Money is neither my god nor my devil. It is a form of energy that tends to make us more of who we already are, whether it's greedy or loving.”

--Dan Millman

Best regards,

Tony Hartman

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.

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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 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.

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

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