



**FINANCIAL SECURITY**  
**PLANNING SERVICES, INC.<sup>SM</sup>**

## Market Thoughts & Webcast Invitation

January 2015

January is a great time to plan for the rest of the year: It can be a time to focus on what's working, change what isn't working, and set goals for the next 12 months. I'm excited about getting a lot of strategic planning done with clients this year. Please contact my office to do so.

As we enter the new year, few could have predicted the outright collapse of oil prices in 2014. We began 2014 near \$100 per barrel and ended just north of \$50 per barrel. When and where oil will stabilize is anyone's guess, but the decline in crude is responsible for about a 10% drop in the S&P Energy sector. It was the worst performing of the 10 industry groups that make up the S&P 500 Index.

A recent Reuters story noted that approximately \$150 billion in energy projects around the globe could face the axe. That means there will be winners and losers at current prices, though the net gain to the economy should be positive.

Meanwhile, Russia is undergoing a wrenching adjustment, as its energy-dependent economy must adapt to the new reality. The Russian ruble has fallen sharply this year, and Russia's central bank said its economy could shrink by as much as 4.7% in 2015 if oil averages \$60 a barrel. A 1998-like crisis that briefly walloped stocks doesn't appear to be on the horizon, but any contagion that seeps out of Russia could create volatility at home.

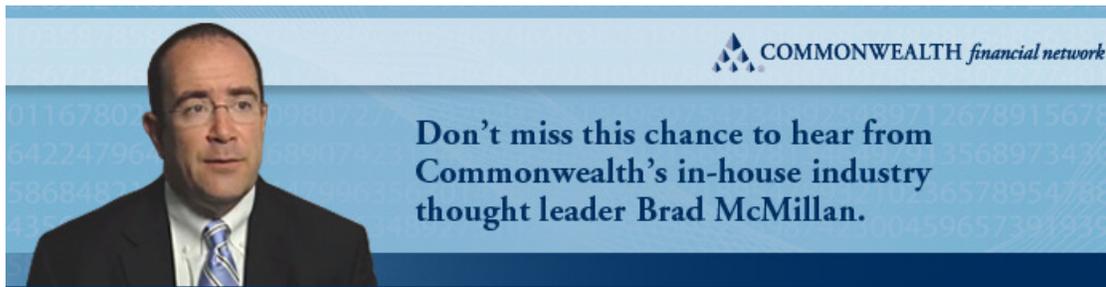
There also has been a steep selloff in high-yield or junk bonds tied to the energy sector. Some of the selloff can be blamed on expectations the Fed will eventually raise interest rates, which could crimp some highly-leveraged borrowers. But a big part of the increase can be blamed on default fears in the energy patch amid a re-pricing of risk in high-yield energy bonds. If concerns were to seep into other sectors of the junk bond market, we could see a spillover into stocks.

For additional market perspective, please see this short video from Brad McMillian, Chief Investment Officer at Commonwealth Financial Network.



Market Thoughts for January 2015

## Special Webinar Invitation: A Conversation with Commonwealth Chief Investment Officer Brad McMillan



Please join us for this client-exclusive virtual event:  
A Conversation with Commonwealth Chief Investment Officer Brad McMillan

Monday, January 19, 2015  
1:30 P.M.-2:00 P.M. PT / 4:30 P.M.-5:00 P.M. ET  
[Access the webinar.](#)

We are pleased to give you this unique opportunity to hear directly from an expert we rely on as he shares firsthand the valuable insights and analysis that help guide the investment recommendations we make for you. Following his remarks on current market conditions and expectations for 2015, Brad will take some time to address pre-submitted questions on issues that are top of mind for you.

If you have a question for Brad, please send it to us at [paul@financialsecurityplanning.com](mailto:paul@financialsecurityplanning.com) by January 16, 2015.

If you are unable to tune in to the live event, a replay will be available following the call.

**About Brad McMillan:**

Brad is vice president and chief investment officer at Commonwealth Financial Network®. A nationally recognized expert on the financial markets as well as national and global economic issues, Brad is a frequent contributor on CNBC, CNN International, and Bloomberg News, as well as in the Wall Street Journal, Barron's, and other publications. He also authors a daily blog, [The Independent Market Observer](#), where he offers unbiased, informed commentary and insights on current market events and broader economic issues. Brad has been named to Financial Advisor and Private Wealth magazines' nationwide peer-nominated All-Star Research Managers team three years running.

My staff and I deeply appreciate the continuing opportunity to work with you. Please let me know if you have any questions or requests. Thank you.

Sincerely,

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