



November 4, 2011

### **Volatile October Ends Five-Month Down Trend**

October was a volatile month in the markets. The beginning of the month saw stocks move higher on mostly upbeat third-quarter earnings reports, eased recession fears and optimism on progress toward resolving the European debt crisis. Toward the end of the month, U.S. stocks again rallied on news of a Greek debt deal that expanded the region's bailout fund and on news that U.S. gross domestic product grew faster than in the previous period. However, a few days later, stocks declined again, erasing some of the gains from the S&P 500's biggest monthly advance since 1987. Investors appeared concerned that European leaders will have a hard time raising funds to contain the region's sovereign debt crisis.

Despite the declines just before month end, the S&P 500 posted stellar performance, ending a five-month losing streak. The S&P 500 and Nasdaq climbed approximately 11% for the month, while the Dow Jones Industrial Average was up 9.5% in October. The gains gave all three indices their best monthly performances in decades.

	10/31/11 Close	9/30/11 Close	Change	Gain/Loss
DJIA	11,955.01	10,913.38	1,041.63	9.54%
NASDAQ	2,684.41	2,415.40	269.01	11.14%
S&P 500	1,253.30	1,131.42	121.88	10.77%

In other economic news, the producer-price index (PPI) increased 0.8 percent in September, the most in five months, boosted by gasoline and food after no change in August. Year-to-year the PPI rose 6.9 percent. The National Association of Home Builders/Wells Fargo homebuilder-sentiment index rose from 14 in September to 18 in October, its highest since May 2010. On the other hand, the Institute for Supply Management-Chicago's business barometer dropped from 60.4 in September to 58.4 in October, inching closer to the dividing line between expansion and contraction.

Of course, I'll monitor the markets on your behalf and communicate regularly with you. If you have any questions about market events or any financial matter, please contact me. I'm here to help.

Sincerely,

Hager, Dennerll & Stacy Wealth Solutions of  
Raymond James & Associates, Inc.

Investing involves risk, and investors may incur a profit or a loss. Past performance is not an indication of future results. Investors cannot invest directly in an index. The Dow Jones Industrial Average is an unmanaged index of 30 widely held stocks. The NASDAQ Composite Index is an unmanaged index of all common stocks listed on the NASDAQ National Stock Market. The S&P 500 is an unmanaged index of 500 widely held stocks.

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