.....15 Years and still rolling.....

Open MIC is open for anyone.

9:00: AM Pacific Thursday 800 504-8071 Code is 5556463

IF YOU WOULD LIKE TO FIND OUT MORE ABOUT US

CALL OR EMAIL

ANTHONY OWEN

888-74AGENT (24368)

tony@annuityagentsalliance.com

OR VISIT OUR WEBSITE

Annuity | Agent's Alliance
Real Help From Real Agents.

"It takes a village to raise an annuity agent"

Office with a View: Anthony Owen from Garmisch, Germany with the Alps in the background.

It's Open MIC Time!

9:00: AM Pacific Thursday 800 504-8071 Code is 5556463#

JULY 11th we have a special guest on Open MIC, mark your calendar.

Words of Wisdom

- Never miss a good chance to shut up.
- Good judgment comes from experience, and a lot of that comes from bad judgment.
- The older we get, the fewer things seem worth waiting in line for.

Last week in my editorial I spoke of the future of our industry and the shift to **direct selling**, our good friend in Virginia, Dan Barnard in Virginia forwarded me this ad from 100 years ago.....BB

How to BK student loans

The parents instread of borrowing against their house, had their daughter use student loans to receive her education. Through graduate school she ammassed almost $200k in debt.

Have you heard of this way out of student loans. Student loans are not forgiveable in bankruptcy. One couple whose child was in high student loan debt and completely unable to pay the obligation, took out a Home Improvement Equity Loan, maxed out their equity, paid the student loan off and filed bankruptcy.

The bankruptcy court ruled that HELOC loans are not enforcable and it was discharged.

A round about sort of way to BK the student loan debt.

This is a true story, the family lives in California, found it at www.patrick.net

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Recent email string with Retire Village agent

I hate the fact that everyone does not love us. We try very hard to make things work for agents and their business. We think the backbone of the annuity business is Retire Village, unfortunately sometimes we get fired. Below is an email string, I took out the agent's real name. Joe has also made some remarks in **red**.....BB

Dear Bill

Please cancel my Retire Village account, I have used the service for 13 months and have spent about $1000 and only received 2 sales from all that work. It just isn't worth it to me. I had expected much more and think it is a waste of time.

Dave Agent

Dear Dave

I'm sorry to hear you are cancelling your Retire Village account. Just out of curiosity, can you tell me about the 2 sales you made? By the way, how many were in your database, just curious. If I can ever be of help, please just ask.

Bill

Joe: CRM (customer relations management systems)

Dear Bill

Thanks, I appreciate it. About 30 people were in my database, mostly clients, I was going to add prospects but never got to it. One sale was a $40,000 annuity with fixed rate, 5 year. The other was a $50,000 annuity with a Indexed UL. I still would like to listen to Open MIC, ok?

Dave

Dear Dave

Of course, Open MIC is always open to all, can you tell me a little more about the IUL case?

Bill

Dear Bill

It was a $10,000 a year flexible premium life product, from Lincoln. It took about a month to get through underwriting, but it is now issued and placed.

Dave.

Crew: $975 invested: (13 months x $75)

Dave made 3 sales to 2 people in database, over 13 months.

$50,000 @2% $1,000

$40,000 FIA @6% $2,400

IUL $10,000 @90% $9,000

Dave Agent is completely correct in dropping RV; it is a waste of money…BB

I think one of the mistakes that we as sellers of "RetireVillage.com" category marketing websites is that we fail to educate agents as to what their **expectations** should be regarding sales and ROI (return on investment) – each segment of your marketing has its own ROI – without knowing your ROI you have no way of evaluating where your marketing dollars should be allocated.

$975 invested: (13 x $75) the yearly cost of RetireVillage.com

Dave made 3 sales to 2 people in database, over 13 months.

$50,000 @2% $1,000

$40,000 FIA @6% $2,400

IUL $10,000 @90% $9,000

$975 yearly site cost/$12,400 = $120% ROI

Spaced repetition marketing

Let's start with this premise: Drip marketing is a compliment to all your other marketing systems. It is not a replacement for any other system.

If an agent made additional sales via RetireVillage.com that they otherwise would not have he/she must ask:

Did regular communication that provides content of **"real value"** to my clients facilitate client sales?

Did regular communications eliminate the discomfort of thinking that they feel I'm just calling to sell them something?

Did any sales occur due to the "space repletion" effect of seeing your message? "Indirect influence"

What about the **"confidence factor"** that builds in the mind of the client when they see your regular business communications? They see it as **"stability".**

What is the quality of the relationship you have with the individuals in your database? You need to market to your **"Warm target market".** Will they recognize your name in an e-mail? Cold lists do not work.

The development and maturation of a warm target market takes time. If you say "it could take a year to develop" ask yourself this question "How long am I going to be in this business?" For most of us the answer is until we drop.

Not necessarily because we have to, but because my clients will follow me until <u>they</u> drop.

Speaking of services and help to agents!

Have you used **Agenttools** yet? If not you are making a mistake, there is a ton of info available.

www.annuity.com/agenttools

Oh and did we mention it is free? And did we mention it is 100% open source, anyone from anywhere (our competitors) can use it…..

Dave and Shaun

Product updates

http://www.marketwatch.com/story/genworth-introduces-5-year-fixed-index-annuity-with-guaranteed-4-minimum-accumulation-benefit-2013-06-17

June 17, 2013, 12:29 p.m. EDT

Genworth Introduces 5-year Fixed Index Annuity with Guaranteed 4% Minimum Accumulation Benefit

SecureLiving Index 5 offers alternative to low interest rate alternatives

RICHMOND, Va., June 17, 2013 /PRNewswire via COMTEX/ -- Genworth today announced the expansion of its family of SecureLiving Fixed Index Annuities to include a five-year, single premium, fixed deferred annuity with a four percent guaranteed minimum accumulation value.

"Our new SecureLiving Index 5 is a great tax-deferred accumulation option for consumers whose CDs are coming up for renewal," said Pat Foley, president of U.S. Life Insurance Distribution and Marketing at Genworth. "With interest crediting linked to the S&P 500 Index, the Secure Living Index 5 has the potential to outperform other financial products that are seeing historically low interest rates such as CDs and Money Market accounts during the same time period."

As a fixed annuity, the contract value is protected against downturns in the S&P 500 Index, meaning that all premium and interest credited can never be lost due to index decline. SecureLiving Index 5 goes one step further and guarantees 104 percent of the premium at the end of the surrender charge period, less adjustments for withdrawals, even if there is an extended down market. This important benefit is included in every contract at no additional cost.

Beginning in the second year, contract owners may withdraw up to 10 percent of the contract value each year without incurring a surrender charge or market value adjustment. As an added measure of security, a bailout provision allows the annuity owner to withdraw the entire contract value of the annuity, without penalty, if the declared annual cap on the annual cap strategy falls below the contract's bailout cap. The bailout cap is declared at contract issue and will not change during the life of the contract.

SecureLiving Index 5 has six interest-crediting strategies: two fixed rate options and four index crediting rate options, including Genworth's patent-pending CapMaxSM interest crediting methodology. Available exclusively on Genworth's SecureLiving Index Annuities, the CapMax option provides the potential for the contract value to grow more quickly than with traditional index crediting methods in years of consecutive positive index growth. Each year, SecureLiving Index annuity contract owners can change their strategy allocations.*

Genworth's SecureLiving family of fixed index annuities also includes SecureLiving Index 7 and SecureLiving Index 10 Plus. SecureLiving Index Annuities are issued by Genworth Life and Annuity Insurance Company, Richmond, VA.

*The five-year fixed interest crediting strategy is available only at contract issue; in subsequent years, the contract owner can only allocate out of this strategy. The one-year fixed interest crediting strategy is available to allocate into after the first contract year.

SOURCE Genworth Financial, Inc.

See link above for complete press release:

Call Dave, Joe or Anthony for more information.

Big Truck Partners

Q. Chad, how do you deliver your annuities? Do you package them in any specila way? How do you explain everything at deliver time?

Another mainstream media artilce, I highlighted a few points in **red**....BB

http://www.forbes.com/sites/abrambrown/2013/06/14/rethinking-some-elements-of-conventional-retirement-wisdom/

Rethinking Some Elements Of Conventional Retirement Wisdom

This is one in a series of blog posts from the Morningstar MORN +0.31% Investment Conference in Chicago.

That the thick fieldbook handed out to Social Security agents lists some 2,700 rules makes it no surprise that retirement is nearly synonymous with complexity. To simplify, retirement advisors like to rely on rules of thumb and well-worn advice. And sometimes that needs a refresh, a task given this morning to Vanguard's Maria Bruno, T. Rowe Price's Christine Fahlund and Asset Strategy Consultant's Roger Wolhner.

Does the 4% rule work?

As a reasonable starting point, yes. The 4% rule helps calculate how much to withdraw from a retirement account, having already estimated Social Security benefits and spending costs. Generally, it's 4% annually. "I use it as a benchmark—a sanity check," says Wolhner. That said, the former educator drawing a state pension is in a different position than say, an ex-doctor or retired lawyer.

Are annuities the best way to combat eventually high health care costs?

"Tax-deferred annuities can play a wonderful role in the unknown later in your life. I know personally I was interested," says Fahlund. It can make up a sensible part of that planning. The other part should probably be long-

term care insurance, the trio says. (This is contrary to what our Bill Baldwin recently advised.)

Do you reach an age when you're too old to convert an IRA to a Roth IRA?

"Roth conversion can make sense at any given age," says Bruno. "If you think about tax efficiency and how having money in different types of buckets is going to minimize the tax liability. What you can do is manage that conversation is watch for an abnormally low income tax in a given year and then maybe a partial conversion make sense."

And one last point…

"You need to practice retirement," says Fahlund. "It's so you don't miss out on your 60s. It's the decade where you'll have the most energy and be in one of the most exciting part of your lives. Start enjoying the retirement lifestyle. Maybe you'll spend more in your 60s, but your salary and benefits will still be coming in. And you'll be able to pay off the big-ticket items—the mortgage. And I do suggest leasing. Try to lease that RV unit. Being in that RV in a national park where it's freezing at night, together with your spouse 24/7…might not turn not to be as exciting as you though."

Reach Abram Brown at abrown@forbes.com

It is all about politics, it will always be about politics, these guys have no clue what we the voters want, less of them!….BB

http://blogs.wsj.com/economics/2013/06/13/fed-likely-to-push-back-on-market-expectations-of-rate-increase/?source=Patrick.net&mod=WSJ_hpp_LEFTTopStories

Fed Likely to Push Back on Market Expectations of Rate Increase

Federal Reserve officials have been trying to convince investors for weeks not to overreact when the central bank starts pulling back on its **$85 billion-per-month bond-buying program.** An adjustment in the program won't mean that it will end all at once, officials say, and even more importantly it won't mean that the Fed is anywhere near raising short-term interest rates.

Investors aren't listening.

A wide range of indicators suggest that investors are starting to think the Fed might start raising short-term interest rates — now near zero — sooner than previously thought. Until recently many market indicators suggested investors expected the first rate increases in mid-2015, but now these indicators indicate investors think it could be sooner.

Life Health Pro is a good source of industry information, it is reliable.....I have made some comments and highlighted important parts in **red.**

All links in article are live, suggest you follow them and do more research....BB

Here is the link for the complete article: http://www.lifehealthpro.com/2013/06/04/top-5-trends-in-annuities?t=variable

Top 5 trends in annuities

Against a backdrop of improving economic conditions in the U.S. and the stock market reaching an all-time high, insurers continue to reposition and reinvent their products, strategies and services. These changes enable insurers to offer advisors and investors a broad range of products despite the challenges of the continuing low interest rate environment. For advisors, staying up-to-date with the changes in the market and the characteristics of the products currently available is critical to ensuring that you can serve the needs of your clients.

In recent months we have seen **John Hancock exit the annuity business** altogether, while other companies have limited the amount of annuity business they accept to help actively manage their risk. Some companies have even offered to buy out the guarantees in exchange for adding a lump-sum to the client's account value. On the other hand, a few companies have made the strategic decision to add variable annuities (VAs), fixed indexed annuities or fixed annuities to their platform. These companies hope to take advantage of the unmet marketplace need for higher rates of return and guaranteed income. **(Hancock and Hartford gone....BB)**

At Ernst & Young, we continuously monitor the product and solution landscape to help organizations and advisors keep abreast of the ever-changing market. We have identified five trends that will influence **the annuity marketplace in 2013**.

1. The reshaping of the VA market: Opportunities remain for advisors who can navigate the new landscape.

Record low interest rates and the costly price of hedging are causing insurers to continually evaluate whether they want to remain in the variable annuity business. Several companies will continue to curtail sales of variable annuities by lowering the benefits, while others will manage sales volumes by no longer accepting 1035 exchanges. Additionally, insurers will continue to drop aggressive investment options on their variable annuities and move customers into funds that are less volatile. It remains to be seen if additional **buyout offers** to contract owners will be made or expanded to other GMXB benefits. **(buyouts are a method to hedge the future derivatives and put a known number ion the liability, then it can be financed…BB)**

2. Hybrid products – good for clients, good for advisors?

Companies have started to file and introduce products that are **hybrids** of variable annuities and fixed products. These products have an upside for both the company and the client due to the lower capital requirements for the company and the downside protection offered to the contract owner. As with any new offering, it is yet to be seen how these products will be received and how product designs will evolve. However, the initial designs appear to provide an attractive option for customers. Potential regulatory headwinds exist**. (to me brokers selling hybrids is their way of selling our products….BB)**

3. Can new entrants fill the gap?

Even though several companies have exited the annuity business, other carriers are adding annuities to their platform. In some cases, when exiting a line of business or market, the books of business, operations and distribution are often available for sale. This availability enables **aggressive entrants** to quickly build operational scale and capacity, and ultimately market share. Acceptance by channel and product will likely vary, with fixed annuities by independent marketing organizations (IMO), broker-dealer and bank platforms leading the way. **(here come the private equity guys….BB)**

4. Top products for an advisor platform.

Over the last two years, many companies have introduced variable annuity products targeted to **Registered Investment Advisors** (RIAs) with features that offer

guaranteed lifetime income. However, the growth in the RIA variable annuity marketplace has been slower than anticipated and significant obstacles exist that will limit future growth in this space. Given that many RIAs have a preference for other methods of generating retirement income, it is likely that placement rates may remain low for some time. New products and features will attempt to reverse this perception**. (does that mean advisors believe in annuities? Or does it mean their clients are demanding them?....BB)**

5. Meeting suitability and other sales practice requirements

. We are now starting to see some effects of **FINRA's new suitability** and know-your-customer (KYC) rules that took effect in July 2012. In response to the new regulations, many firms have established procedures for gathering client information, record-keeping and product training to ensure that advisors understand their new KYC and suitability obligations. Challenges include capturing the right data, asking for more information, if necessary, and proper documentation. Firms are trying to anticipate regulators' inquiries and challenges and are setting up internal governance structures. Many firms are setting up structures to regularly monitor third-party distributors.

Conclusion

Annuities offer clients predictability and security in any market so we will continue to see the insurance industry focus on them. Manufacturers will look to diversify their product lines, products and features so that they are not over-concentrated in any one area. The industry will seek to achieve the optimal balance of what is best for the client, advisor and shareholder. Over the coming weeks, we will explore each of these trends in more detail so that you can continue to keep your competitive edge in 2013.

(suitability is the name of the name, fact finding is the key to solid suitability, get used to it, it is here to stay...BB)

Rereading this article only fills me with disgust for the Wall Streeters who have to have it all. Who would have ever believed a fine old annuity company such as The Hartford would have been pushed around by a Private Equity ego driven XXXXX....BB

Money Market Funds can and have lost money, the new SEC rules will make it clear; your funds can go down. Money market mutual

funds also have fees for management, many companies such as Schwab have discontinued fees and absorbed the cost, others maintain small fees for expenses. These fees can range form.05 to higher (see Morningstar for specific funds)

Variable annuities are a different animal.

Do you know the difference between a **money market** account in a variable annuity and the **fixed interest** account in a variable annuity?

The brokers want to use the money **market account** when the client is screaming for safety instead of the **fixed interest** account.

Why?

The money market account is still subject to the contract and fund management fees, (broker continues to be paid the trails) the fixed interest account is not....BB

http://www.smartbrief.com/06/05/13/sec-aims-restructure-some-money-market-funds

SEC aims to restructure some money market funds

The Securities and Exchange Commission is proposing a significant restructuring of the **money market mutual fund industry**. Under a plan put forth Wednesday, the value of shares in institutional funds would fluctuate, rather than remain at a fixed $1 a share. The proposal, meant to avert a run on money funds during any future financial crisis, is now in a 90-day comment period.

Hmmmm.....isn't money market **"money"?** How could a run on the money market account be damaging if it were just invested in money? Oh I get it, it is NOT invested in money, it is invested with **Wall Street**....BB

Indexed IUL

As a result of persistently low interest rates, index UL policies are experiencing record-breaking sales, growing from a $300 million market in 2006 to a **$1.54 billion market in 2012**.(1) Index UL policies now represent 30 percent of total UL premiums and 12 percent of all individual life insurance premiums

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How would you feel if you had been drinking The HARTFORD'S Kool-aid and have them leave the business then dictate new rules for enforce product, all in the name of reducing their future liability, it is ruthless. **Do what we say or else lose your benefits**....BB

http://www.investmentnews.com/article/20130606/FREE/130609950

Hartford's VA redo could kill off living benefits for some clients

Failure to respond to new restricted investment menu could see rider yanked; 'off guard'

Advisers who sold Hartford Life variable annuities are in for a busy summer tracking down clients who hold certain annuities that are slated for major changes. Policyholders who fail to act could lose their benefits.

The company is applying investment restrictions to a swath of legacy VAs with living benefits, and it will pull the rider from clients who don't change their allocations by Oct. 4.

Hartford Life and Annuity Insurance Co. declined to say how many policyholders or how much in assets would be affected by the changes. As of March 31, the insurer had $65.5 billion in variable annuity assets under management, according to **Morningstar Inc.**

More

B-D execs up in arms over The Hartford's VA plan

Say considerable legwork required to ensure that clients don't lose living benefits; litigation a big concern, too

http://www.investmentnews.com/article/20130607/FREE/130609932

Broker-dealer executives are worried about the amount of work — and the potential liability — they may face following The Hartford's announcement that it's reining in investment options for some variable annuities.

The insurer recently notified firms that a swath of its legacy variable annuity clients will need to allocate their account value toward more-conservative investments by Oct. 4. Those failing to make the change will lose the income rider they've been paying for.

“We're very uncomfortable with the liability, the work and the effort that they've created for us,” said Scott Stolz, president of Raymond James Insurance Group. “We're exploring ways to reduce that potential liability.” Some 2,300 contract holders at Raymond James will be affected, he added.

Like I said, drink the Kool-aid and this is what could happen….BB

You might want to read my blog on Annuityu.com about women.
http://www.annuity.com/annuity_blog/annuities-for-women/

BTW, our new video from Katrina will be finished this week; it is about women and retirement. Women have the lesser options in many industries, but in the annuity industry they can easily accelerate beyond their male counterpart. We must be different than the Wall Street trained advisors….LOL…….BB

http://www.onwallstreet.com/news/edward-jones-survey-finds-glass-ceiling-for-women-in-financial-services-2685238-1.html

Glass Ceiling for Women in Financial Services?

The financial services industry has one of the hardest glass ceilings for women to break through according to a recent survey from Edward Jones.

Almost two-thirds, 65%, of men and women who responded felt that women in all careers faced **more significant barriers** to advancement, and one-in-five said that the financial services industry was the worst sector for women looking for leadership roles. Those results were not surprising, but they do highlight a relevant concern for many women entering the advisor space, Edward Jones' director of financial advisor diversity and female performance, Elizabeth Schehl, said.

Here's my contribution to your weekly talk:

From the Kiplinger Tax Letter dated June 7, 2013

"The Labor Department is continuing its **push for annuities** in retirement plans. It now proposes to have 401(k) plans, 403(b)s and others show annuity illustrations in benefit statements.

Participants would see not only their current account balance, but also a projected retirement balance. Both would be reported as a lifetime stream of monthly payments, based on expected mortality tables. The Labor Department believes that individuals will be better able to understand their finances and might save more for retirement if they see account balances expressed as lifetime monthly income.

www.kiplinger.com/letterlinks/annuites to view rules in full.

George Harmer CPA

Registered LOGO and Trademarks above

I get asked question every week, the 3 most common questions are in these categories:

1. Leads, where are my leads!!!!
2. Bonds, always questions about bonds, which I cover 2 weeks a month on Open MIC
3. The stock market, how does it work?

I have talked about the stock market many times before, now I have prepared a little easy to understand fact sheet to help you and your explanations to your clients and prospects.

To begin, go to this site and learn all the trivia you deem necessary. At the bottom of the website is a definition chart which can help advance your education (remember my editorial last week).
http://www.stockmarkettrivia.com/

Use this simple fact page as your "cheat" sheet

Understanding the Markets

What the acronyms signify & what affects investors.

Dow. NASDAQ. S&P 500. Fear index. NYSE. Commodity prices. Earnings. Economic indicators. These are the gauges and signposts of investing. Let's start on Wall Street.

The major U.S. indices:

The **Dow Jones Industrial Average** tracks how **30 publicly owned companies trade on a market day** – the **"blue chips"**, 30 titans of U.S. and global business chosen by the *Wall Street Journal,* most not actually industrial.

The Stock Exchanges: Stocks traded on exchanges, with the most prominent in America being the New York Stock Exchange (NYSE), the "big board" at which celebrities are seen ringing the opening or closing bell. Other notable U.S. stock and securities markets include the American Stock Exchange (AMEX), the CBOE and the NASDAQ Stock Market. While the NYSE trading day runs from 9:30am-4:00pm EST, pre-market and after-hours trading also occurs as investors respond to earnings announced after or before the bell or overseas developments.

The **NASDAQ Composite** records the performance of 3,000+ companies on the NASDAQ Stock Market (see below), including many technology firms.

The **S&P 500** logs the performance of 500 leading publicly traded companies across ten different sectors (business/industry categories), as determined by financial research giant **Standard & Poor's** (there was actually a Mr. Poor, hence the name).[1,2]

At the end of the trading day, these indices settle or **"close"** at a price level. The **Dow** is a **price-weighted index** – that is, its value each trading day rides up or down on the price movements of its 30 components.

Definition of 'Price-Weighted Index' (Investopedia)

A stock index in which each stock influences the index in proportion to its price per share. The value of the index is generated by adding the prices of each of the stocks in the index and dividing them by the total number of stocks. Stocks with a higher price will be given more weight and, therefore, will have a greater influence over the performance of the index.

By contrast, **the S&P 500 and NASDAQ** (and most other stock indices) are cap-weighted, meaning the index value reflects the total market value of the companies in the index and not simply the prices of individual components. The S&P 500 has both a price return and a total return (the total return includes dividends).[1,2]

Definition of 'Capitalization-Weighted Index'

A type of market index whose individual components are weighted according to their market capitalization, so that larger components carry a larger percentage weighting. The value of a capitalization-weighted index can be computed by adding up the collective market capitalizations of its members and dividing it by the number of securities in the index.

While the nightly news tells everyone what the Dow did today, many seasoned investors pay more attention to the **S&P 500, which represents about 70% of the value of the U.S. stock market.**

Here is a summary of a whole bunch of stock market indexes, frankly an advance knowledge of them is rarely needed.

There are other indices that also grab Wall Street's attention. Investors watch the Russell 2000 (which lists the **"small caps",** usually newer and younger firms than found in the predominantly "large-cap" S&P 500) and the Wilshire 5000, which tracks stocks of almost every publicly owned company in America (6,000+ components).

Eyes are also on the **"fear index",** the CBOE VIX (Chicago Board Options Exchange Volatility Index), which measures investors' expectations of volatility (read: market risk) in the S&P 500 for the next 30 days. Important multinational indices (the MSCI World and Emerging Markets indices, the Global Dow, the S&P Global 100, and many more) and foreign indices (Japan's Nikkei 225, Germany's DAX, China's Shanghai Composite and many others) also get a look.[2,3,4,5]

The NYMEX, the COMEX & the forex market. The CME Group of Chicago owns and operates the New York Mercantile Exchange (NYMEX), the biggest physical commodities exchange on the planet. The NYMEX tracks energy futures such as oil and natural gas and it also has a COMEX division for metals such as gold, silver and copper futures. (Platinum and palladium futures actually trade on the NYMEX instead of the COMEX.) Agricultural commodity futures and options are traded on the CME Group's Chicago Mercantile Exchange. Over-the-counter currency trading occurs via the worldwide, decentralized forex (foreign exchange) market. Short-term movements in exchange rates do influence stocks. [6,7]

The bond market. Further decentralized trading occurs here, conducted by institutional and individual investors, governments and traders buying, selling and issuing government, corporate and mortgage-linked securities (and other varieties). Bond prices fall when bond yields rise, and vice versa. Interest rate changes affect the bond market more than any other factor; credit rating adjustments and changes in the appetite for risk (i.e., a race to or retreat from stocks by investors) can also play roles.

What moves the markets up and down? Information – or more precisely, the way large institutional investors respond to it. Things really move when the equilibrium

of the market is upset by either positive or negative breaking news – it could be a geopolitical development, a natural disaster, a central bank decision, a comment from a Federal Reserve official or the Treasury Secretary, it could be many things. It could be earnings reports – corporate earnings are sometimes called the "mother's milk" of stocks, and when two or three big companies beat estimates, Wall Street may see big gains that day.

The markets also respond to an ongoing stream of economic news releases from the federal government and other organizations. **Federal Reserve** policy announcements (interest rate adjustments, the implementation or cessation of stimulus efforts) get the most attention, and the Labor Department's monthly employment report finishes second. Other critical monthly releases include the Commerce Department's consumer spending report, the Bureau of Labor Statistics Consumer Price Index measuring consumer inflation, and monthly reports on existing home sales (from the National Association of Realtors), new home sales (from the Census Bureau) and home values (via the S&P/Case-Shiller Home Price Index).

There are other key reports: the occasionally contradictory consumer confidence surveys from the University of Michigan and the Conference Board (the CB poll is more respected, as it surveys 5,000 people; the Michigan poll surveys only 500, but asks many more questions) and the Institute for Supply Management's monthly purchasing manager indexes assessing the health of the manufacturing and non-manufacturing sectors of the economy (these are simply surveys of purchasing managers at businesses, minus hard data).[8,9]

Hopefully, this makes things a little less mysterious. It takes a while to get to know the financial world and its pulse, but that knowledge may reward you in tangible and intangible ways.

Citations.

1 - investorguide.com/article/11617/introduction-to-stock-indexes-djia-and-the-nasdaq-igu/ [1/25/13]
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See how it works

http://www.retirevillage.com/how-it-works

Resources:

www.safemoneybookprinting.com

www.annuityagentsalliance.com

www.safemoneyradio.com

www.annuity.com

www.annuity.com/agenttools

YouTube (enter annuitycom in search)

Disclaimer:

My opinion or numerous sources complied by me.

I obtain information from many sources, print, internet, agent gossip and other media. I always try and provide the original source or the link but my note taking habitually is lacking.

Much of the content on Open MIC is written by me and is my personal opinion. You should never consider that I am the world's greatest authority or expert on anything. Always consult professionals who are licensed to give correct advice regarding taxes and securities and other topics of great importance.

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