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## Market Commentary

The market's primary focus during April was corporate earnings, which were generally positive. The technology and manufacturing sectors produced exceptional results while consumer spending, inflation, manufacturing, and the Chinese economy continued on their strong upward trajectories.

**Earnings:** The technology sector showed promise as both Apple and Intel reported stellar results. Besides robust tech earnings, results in the manufacturing sector were also encouraging. Organic growth (versus acquisition-driven growth), auto-related data, and capital goods were positive. Earnings from the banking sector however, weren't as strong. New loan growth at many firms including J.P. Morgan Chase was almost non-existent. Overall, J.P. Morgan Chase revenues declined 9% while profits increased about 67%. Rising commodity prices were the main reason for mixed earnings in consumer-oriented firms. At McDonald's, revenue increased but the stock fell about 1.9%.

**Housing:** According to the federal government report, home prices were down 1.6% from January to February. Existing home sales increased 3.7%, reaching the 5.1 million unit mark. During the housing boom in 2005, the annualized number of existing home sales was as high as 7.4 million units. Outside the couple of odd months near the expiration of the two housing credits, the lowest sales number was about 4.5 million units.

**Inflation:** Inflation reports from around the world were higher than expected. Year-over-year inflation accelerated to 5.4% in China in March 2011. In the euro zone, month-to-month inflation (annualized) accelerated to 2.7% in March up from 2.4% in February. Inflation continues to accelerate around the world despite attempts by central bankers worldwide to tighten rates and boost reserve requirements. During March, the U.S. producer price index and the consumer price index moved up 0.7% and 0.5%, respectively...[MORE](#)

## A World of Opportunity

As trade barriers continue to break down, the world economy has become a small neighborhood. Should investors seek to participate in this wave of globalization, or are they getting all they need here at home?

Historically, foreign investments have acted in a significantly different way from domestic investments. When the U.S. market slumped, various opportunities abroad have prospered. An American investor who put some money into foreign markets may have reduced risk while still attaining attractive returns. With the spread of globalization, this benefit decreases as companies across the globe are acting more like each other. However, as the image illustrates, an investor who doesn't take advantage of options outside of the United States is missing out on roughly half of the investable developed stock market opportunities in the world...[MORE](#)

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### Tax Law Changes for 2011

## Tax Law Changes for 2011

A good mantra, for investing and for the rest of your life, is "Focus on what you can control." While most people are inclined to put taxes into the "out of my control" bucket, that doesn't have to be the case. Where taxes are concerned, it is always a good idea to consult with a tax professional. This article is intended only as a starting point to help you become informed about tax-law changes; it does not constitute tax advice. Some of these changes have an impact only on those in very high tax brackets, while others affect individuals of all income levels.

### **Social Security Payroll Tax**

**Holiday:** Social Security payroll taxes have dropped from 6.2% to 4.2% for 2011, giving an effective boost in pay to all workers. (As in the past, you won't pay Social Security tax on any earnings over a certain level--currently \$106,800.) This provision is designed to get people out there spending, but a better idea, assuming you can afford it, is to divert that money to another retirement fund: your own. Increase your 401(k) plan contribution as close as you can to the annual limit; in 2011, that

## About BCG Securities

Established in 1968, [BCG Securities, Inc.](#) is a full-service broker-dealer and advisory firm specializing in providing innovative investment strategies, financial planning, and retirement plan design to individuals and corporations. With over \$1 billion in client assets under management, BCG Securities is known for its outstanding commitment to delivering quality investment solutions and service.

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limit remains \$16,500 for those under 50 and \$22,000 to those over 50. And if you're already funding your 401(k), 403(b), or 457 plan to the max-or if you would rather save outside the confines of your company plan-you can direct that money to an IRA instead. IRA contribution limits are also unchanged from 2010: \$5,000 for individuals under 50 and \$6,000 for those over 50. [..MORE](#)

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