



Gregory Ricks

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**GREGORY RICKS & ASSOCIATES**

LOUISIANA'S  
401K & RETIREMENT  
AUTHORITY

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# Smart Money News and Facts

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## July 2012 Market Mid-Year Review

Just the first half of 2012 has been yet another year for the history books.

Most of Europe is in recession. Europe boasted of a great bailout for Greece, but it constantly was full of promises and short on details. The Spanish bonds then surged to highs and caused a fear of an EU collapse. All of the work put in by the former French and German leaders was undermined later in the year when the French people elected a socialist leader.

Greece had to go through several rounds of elections to finally elect a fiscally responsible leader, but even then it was only by a narrow margin. Greece was on the verge of being kicked out of the EU which would cause another global financial crisis. German bonds surged to a record low where people were literally receiving negative yields on the bonds they were buying (they were paying the government money to buy bonds). Keep in mind that even with the narrow victory of the pro fiscal responsible Greek party, the details are short and the economy is horrible. Greece is leaving its government without the ability to tax people enough just to pay the interest on its bonds and all of its incurred expenses. So, the crisis is *far* from over. Now the people of Greece must continue to give up more benefits, work until they are older, and get less in their pensions if they are to meet the requirements to keep getting bailed out. Sound familiar?

Then the US healthcare ruling was upheld by the Supreme Court making many happy and leaving individuals, businesses, states, and insurance companies trying to figure out how to cover the cost (taxes). The Attorney General of the United States was held in contempt by the House of Representatives for the first time in US history. Then, right as it looked like everything was about to fall off a cliff, the EU got together and made another promise to help stabilize the EU, bailout Spanish banks, and try to form a Eurobond.

This leaves the Germans in a tough spot as their economy is strong and their unemployment is low. Basically, Germany is going to have to take on the bad debt of the other EU countries and raise taxes on its people when they see no need to do so. This will make the next German elections very interesting. In the US, we are going to face an unprecedented race to the White House with new records being set on campaign spending by both parties.

Continued on Page 2

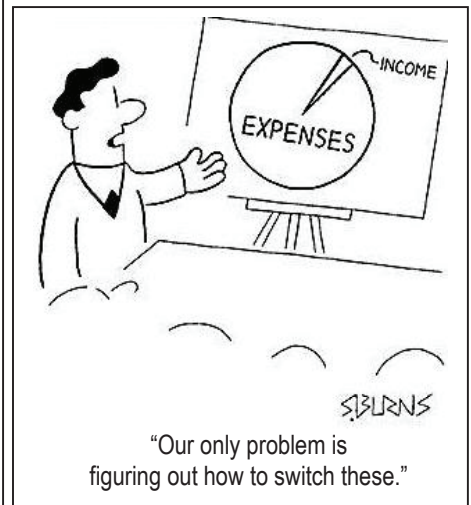


**Saturdays @ 9 am and 11 am  
on 99.5 FM WRNO**

### RIDDLES:

1. What is in seasons, seconds, centuries and minutes, but not in decades, years or days?
2. What has a head, a tail, is brown, and has no legs?
3. Say my name and I disappear. What am I?
4. Give me food, and I will live; give me water, and I will die. What am I?

Answers on page 2



"Our only problem is figuring out how to switch these."

# Mid-Market Year Review

## Market Mid-Year Review Continued....

**Fundamental Analysis:** On July 27th the Advance GDP will be released. This report is released quarterly. There are 3 versions of the GDP released a month apart - Advance, Preliminary, and Final. The Advance release is the earliest and therefore tends to have the most impact. It is the broadest gauge of economic activity and the primary gauge of the economy's health.

**Technical Analysis:** The market has currently broken above the 50 Day Simple Moving Average and above the Volatile Trend Line. However, the volatile trend line is currently pointing in a downward direction. The market is now at a very important resistance level with what is known as the Fibonacci 61.8 retracement level at 1365.18 from the closing high of the year. This same area served as a resistance level back in April of 2011 it was the high of 2011 (1364.56-1370.80), and it served as a solid resistance level in March of 2012 before it was broken. It then held as a support level in April and early May of 2012 before the market broke to the downside. The market came within less than 1278.04 only .23 above our non-seasonal exit level. If the market continues to move up we will get a bull signal shortly. If it falls back down it could easily retrace to 1310 and then on down to 1278. From there, depending on what is happening in the US and global markets the next support levels it could drop to could be 1200 then 1157 then 1093, 1047 then 1021.

**Statistical Analysis:** The market flew up this year in a non-seasonal tendency due to the positive Greek news that rolled out of Europe early in the year. The market flew up over 11.5%. Then with just a little more bad news out of Europe, with Spanish bonds reaching high levels, it promptly dropped nearly 11%. It has since made a 61.8% fibonacci retracement level and is at a major resistance level.

**Seasonal Analysis:** July is historically a lightly bullish month which stirs talks of a bullish rally. However, this is often short lived and is usually the weakest rally of the year. July historically has an average of a .1% up move on an election year (Since 1980). It is often followed by negative months in August and September.

### In Summary:

Yes, all of this is just from the first half of 2012 and this is only the highlights. Great talks and promises will be made but details on delivery will be short. The real tests for the remaining part of the year are: will any new surprises come out of Europe, can the EU countries all agree on the fiscal reform needed, will the US economy figures show strength or weakness, and how does the market handle the current resistance levels? We will continue to monitor the market, and have a risk management signal in place in these difficult and volatile markets.

Gregory Ricks, LLC is a Registered Investment Advisor which offers services and charges fees as set forth in Form ADV, a copy of which you should obtain prior to investment.

Did you know  
Gregory and  
Stacey got  
married in  
January??



After attending St. Catherine  
of Siena for 10 years, the  
triplets are going to high school:

Emily – Mt. Carmel  
Lance – Brother Martin  
Luke – Jesuit

### ANSWERS TO RIDDLES ON PAGE 1:

1. The letter 'n'
2. A Penny
3. Silence
4. A fire

# This news is all about you...

## LSU Tigers 2012 Football Schedule

Date	Opponent	Time/Network
Sat, Sep 1	North Texas	6:00 pm (ESPNU)
Sat, Sep 8	Washington	6:00 pm (ESPN)
Sat, Sep 15	Idaho	7:00 pm (PPV)
Sat, Sep 22	at Auburn	TBD
Sat, Sep 29	Towson	TBD
Sat, Oct 6	at Florida	TBD
Sat, Oct 13	South Carolina	TBD
Sat, Oct 20	at Texas A&M	TBD
Sat, Nov 3	Alabama	7:00 pm (CBS)
Sat, Nov 10	Mississippi St.	TBD
Sat, Nov 17	Ole Miss	TBD
Fri, Nov 23	at Arkansas	1:30 pm (CBS)

All Times Central

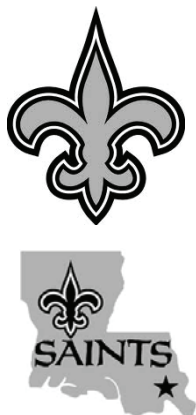


Gregory recently shared an evening with two-time Super Bowl Champion, Hines Ward, and four-time Super Bowl champion, Rocky Bleier, at the Pittsburg Pirates' PNC Park.

off the mark.com by Mark Parisi



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## New Orleans Saints 2012 Football Schedule

Date	Opponent	Game Time
<b>PRESEASON</b>		
Thurs, Aug 9	at New England Patriots	6:30 PM
Fri, Aug 17	Jacksonville Jaguars	7:00 PM
Sat, Aug 25	Houston Texans	7:00 PM
Thurs, Aug 30	at Tennessee Titans	6:00 PM
<b>REGULAR SEASON</b>		
Sun, Sept 9	Washington Redskins	12:00 PM
Sun, Sep 16th	at Carolina Panthers	12:00 PM
Sun, Sep 23th	Kansas City Chiefs	12:00 PM
Sun, Sep 30th	at Green Bay Packers	3:25 PM
Sun, Oct 7th	San Diego Chargers	7:25 PM
Bye Week		
Sun, Oct 21th	at Tampa Bay Buccaneers	12:00 PM
Sun, Oct 28th	at Denver Broncos	7:20 PM
Mon, Nov 5th	Philadelphia Eagles	7:30 PM
Sun, Nov 11th	Atlanta Falcons	12:00 PM
Sun, Nov 18th	at Oakland Raiders	3:05 PM
Sun, Nov 25th	San Francisco 49ers	3:25 PM
Thurs, Nov 29th	at Atlanta Falcons	7:20 PM
Sun, Dec 9th	at New York Giants	3:25 PM
Sun, Dec 16th	Tampa Bay Buccaneers	12:00 PM
Sun, Dec 23th	at Dallas Cowboys	12:00 PM
Sun, Dec 30th	Carolina Panthers	12:00 PM

### August Health Tip:

Incorporate "active recovery" into your fitness routine to help alleviate chronic muscle soreness and fatigue. Active recovery is the idea of remaining active after a strenuous exercise session or activity where the heart rate is brought down slowly, not abruptly. It can also be applied the day after a hard workout, where activity takes place to raise your heart rate just around 50% of your heart rate max for roughly 20-30 minutes. These bouts of activity should be low in intensity and duration. Such exercises could be walking, biking, shooting hoops, throwing the football, or other casual outdoor activities. Do this every once in a while on your "off days" and you will see that you have more energy, improved recovery time from previous workouts, more muscle, less % body fat, and an overall greater fitness level, not to mention a more active day to day lifestyle!

-Andrew Cedor, Certified Personal Trainer

# The back page...

## Retirement Planning: A Recipe For Success

Planning your investments to build a retirement fund can be a dizzying prospect. The various questions, options, details, accounts and amounts are enough to make anyone's head spin. Wouldn't it be nice if there was a generic recipe for success?

A nice neat list of step by step instructions on how to make the best decisions on where, when and how much when it comes to investing for your retirement. Unfortunately, this list of steps is incredibly dependent upon each individual and their current situation and future plans, so a sure fire success route doesn't exist.

But before you stop reading, there are a few broad steps that most financial professionals agree will most likely lead you down the right path. By investing your money in retirement accounts by the priority of which will give you the most return, you can take advantage of what each has to offer. Here's the order that is suggested for the majority of people in terms of retirement accounts.

1. **Fulfill Your Company's Match Program:** The exact amount of this will differ for each individual depending on the company that they work with, but whether you have a 401K or a 403b, the best place for your money is in those accounts reaping the assistance of your employer. Match programs offer a two for one that is too valuable to turn down. Before you invest anywhere else, make sure you are investing enough in your 401k or 403b to get your full match.
2. **Roth IRA to the Max:** There has been a long standing battle between the Traditional IRA's and the Roth IRA's. When it comes to your retirement planning, your Roth IRA should win this battle. There are a few different reasons why you should make this move. With the current economy that we have all been hearing so much about, we can assume that taxes will go up in the future. Investing in a Roth allows you to pay taxes on your income now, and avoid the higher tax rate as it grows and in your retirement. Also, investing in an IRA gives you more choices and flexibility than is offered in many 401k plans. You can decide where you want to open your account based on your personal preference or individual situation. This step of maxing out a Roth IRA can change based on the individual though, as some people cannot open a Roth IRA because of their income level.
3. **401k or 403b to the Max:** After you have reached your company's matching level and have maxed out your Roth IRA, turn your funds back to the 401k or 403b until they are maxed out as well. Having both your Roth IRA and your 401k/403b maxed out gives you some variety in your portfolio in terms of how the investments are taxed. This variety gives you something of a safety net in terms of how taxes and other investments change over time and the affect they will have on your funds. As a side note, when you plan to max out your 401k or 403b, keep your eye on the ever changing contribution limits which vary each year.
4. **Open Taxable Accounts:** If you have filled in the previous three steps, you will find yourself at the final, and most open ended step of the journey. The options here are almost endless in terms of what kind of account to open and where to open it. Your decision depends on the type of risk versus reward balance you are looking for, whether you are looking for the simplicity of joining a service or are looking for more of a hands-on approach, how much you are planning to invest and so on. Because you have the foundation laid by maxing out your 401k/403b and your Roth IRA, you can afford to be a little creative with this last decision.

This plan is not something to jump into without doing your homework. Like mentioned before, there is a reason that no one has created a perfect plan that fits everyone. Depending on your personal income, you might not be eligible for certain funds, like a Roth IRA, or you might be eligible for some accounts that could take higher priority, such as a SEP IRA. But, for most people, looking for a general order of priority for their retirement investments, these four steps are a great place to start.

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