



Market in a Minute

January 27, 2015

Index Performance

Index	Price	Last Week	YTD
Dow Jones 30	17673	0.9%	-0.8%
S&P 500	2052	1.6%	-0.3%
NASDAQ	4758	2.7%	0.5%
Russell 2000	1189	1.0%	-1.3%
Russell 2000 Growth	717	1.4%	-0.7%
Russell 2000 Value	1494	0.7%	-2.0%
Russell 1000 Growth	966	2.1%	0.5%
Russell 1000 Value	1198	1.2%	-0.9%
Shanghai SE Index	3517	7.7%	3.8%
SPDR Gold Shares	124.23	1.4%	9.4%
GS Crude Oil Total Return	10.16	-8.4%	-19.0%
Powershares US \$ Index	25.21	2.5%	5.2%
Ishares EAFE Index	61.36	0.9%	0.9%
iShares Barclays 20+ Yr Treasury Bond	134.77	1.2%	7.0%

Source: Bloomberg & MSN, Returns are appreciation only.

S&P Sector Performance

Index	Price	Last Week	YTD
Information Technology	693	3.1%	0.2%
Consumer Disc.	562	1.7%	-1.8%
Consumer Staples	511	0.7%	2.3%
Health Care	821	0.8%	3.7%
Financials	321	1.2%	-3.8%
Industrials	481	2.4%	-1.2%
Energy	568	1.6%	-3.1%
Telecommunications	153	-1.1%	0.1%
Utilities	250	1.1%	4.2%
Materials	303	0.8%	-0.8%

Source: Bloomberg website, Returns are appreciation only.

Interest Rates

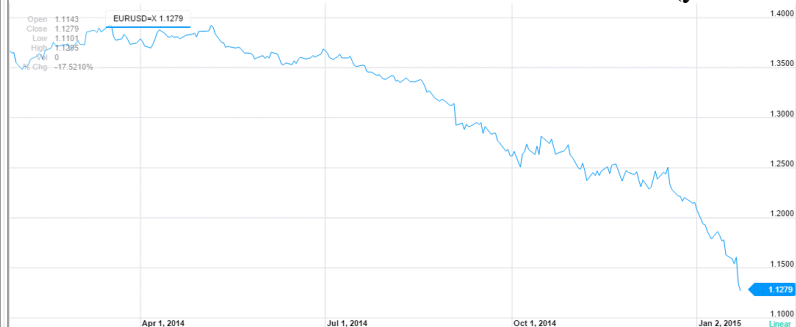
Fed Fund	0.25	5-Year	1.29
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A Word on the Market by Pat Adams, CFA

Last week, the ECB did not disappoint by committing to buy 60 billion euro of sovereign debt per month beginning in March for the next year and a half. To throw a little cold water on the celebration, the Greek election was won, as expected, by the far left, which ran on anti- austerity. We would expect Greece to default on their debt. The euro has been extremely weak, and it is starting to look like the price of oil. The Europeans want to create inflation in their economy, driven by demand, not by a devalued currency that has little value.

Historically, when a country significantly devalues its currency, it is not a good thing for its economy or standard of living. It will be harder for U.S. based companies to compete with European companies. We are just guessing as to the exact level, but would expect some sort of panic in the financial markets if the euro falls below 100 versus the dollar.

One Year Chart of the EUR vs. USD (yahoo.com)



As we have mentioned, earnings are under pressure with earnings growth for the 4th quarter now expected to only be .25% or flat. The pressure is coming from oil companies' earnings and multinational companies being impacted by currency translation. Below should be a familiar chart, the green line is the S&P 500 and the blue line is earnings growth.

3-Month	0.02	10-Year	1.81
6-Month	0.07	30-Year	2.38
2-Year	0.52		

Source: Bloomberg.com

Economic Events This Week

Date	Event	Forecast	Previous
27-Jan	Durable Orders	0.5%	-0.9%
27-Jan	Durable Goods ex-Transportation	0.6%	-0.7%
27-Jan	Consumer Confidence	96.0	92.6
27-Jan	New Home Sales	450K	438K
29-Jan	Initial Claims	301K	307K
29-Jan	GDP-Adv.	3.2%	5.0%
29-Jan	Chain Deflator-Adv.	1.0%	1.4%
30-Jan	Chicago PMI	58.0	58.3
30-Jan	Michigan Sentiment	98.2	98.2

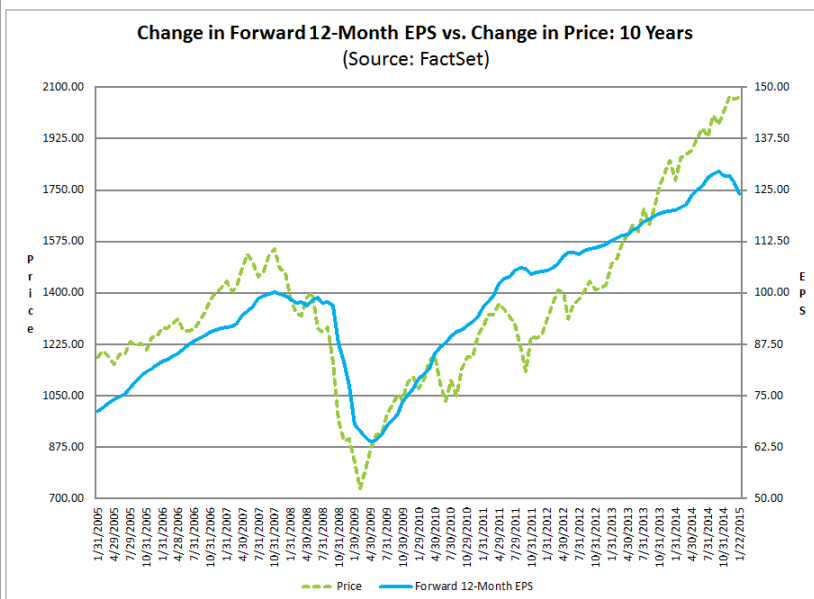
Source: Briefing.com

Economic Events Last Week

Date	Event
21-Jan	Housing Starts for Dec. came in at 1089K which was slightly higher than estimates of 1040K
21-Jan	Building Permits for Dec. were reported at 1032K vs. expectations of 1060K
22-Jan	Initial Claims for the week of 1/17 came in at 307K vs. forecasts of 302K
22-Jan	Continuing Claims for the week of 1/10 were reported at 2443K vs. estimates of 2400K
23-Jan	Existing Home Sales for Dec. came in at 5.04M which was slightly lower than forecasts of 5.10M
23-Jan	The Leading Indicators for Dec. was 0.5% vs. expectations of 0.4%

Source: Briefing.com

Remember the year 2015 started with the consensus of "Wall Street" strategists expecting earnings to be up 7.5%. This trend is very important as the stock market correlates highly with earnings growth. A collapsing euro has a direct impact on U.S. companies' earnings growth. The spread between the stock market and the earnings growth rate is at a wide gap.



Please visit our website for more information.

www.pvgassetmanagement.com

Phone: (800) 777-0818

Email: Information@pvgasset.com

Web: www.pvgassetmanagement.com

