



## Market in a Minute

March 17, 2015

### Index Performance

Index	Price	Last Week	YTD
Dow Jones 30	17749	-0.6%	-0.4%
S&P 500	2053	-0.9%	-0.3%
NASDAQ	4872	-1.1%	2.9%
Russell 2000	1232	1.2%	2.3%
Russell 2000 Growth	757	0.9%	4.8%
Russell 2000 Value	1519	1.5%	-0.3%
Russell 1000 Growth	985	-0.9%	2.5%
Russell 1000 Value	1191	-0.4%	-1.5%
Shanghai SE Index	3599	7.0%	6.2%
SPDR Gold Shares	110.88	-0.9%	-2.4%
GS Crude Oil Total Return	10.03	-9.1%	-20.0%
Powershares US \$ Index	26.49	2.7%	10.5%
Ishares EAFE Index	63.09	-1.1%	3.7%
iShares Barclays 20+ Yr Treasury Bond	126.72	2.6%	0.6%
Utilities Select Sector ETF	43.48	0.2%	-7.9%
Vanguard REIT ETF	82.38	2.5%	1.7%
iShares Mortgage Real Estate	11.67	0.5%	-0.3%
Wells Fargo BDC	23.48	-0.4%	4.8%
Alerian MLP ETF	16.23	-3.0%	-5.7%
iShares Global Telecom	60.79	-1.7%	1.2%

Source: Bloomberg & MSN, Returns are appreciation only.

### A Word on the Market by Pat Adams, CFA

The market is focused on Wednesday, when the Federal Reserve ends its two day meeting and is expected to announce they are planning on removing the word "patient" from their statement on interest rates. Yellen will hold a news conference and is expected to open the door for a rate hike in June. What is at question is the impact on the dollar if the Fed raises rates. The markets really cannot withstand the continued dollar strength. A strong dollar is not something the Fed wants, as it slows the rate of nominal GDP. Basically, GDP is being reallocated from the U.S. to Europe and Japan. Yellen does well at press conferences, and we would expect the markets to be put at ease that whatever the Fed does will be in moderation. What the market wants to hear is that the Fed is perhaps less concerned about inflation long term, due to the decline in the dollar, and that rates can stay lower for longer.

It is rather remarkable the declines we have seen in oil and the euro over the past 9 months. Bear markets are hard to remember after the last one ended 6 years ago. Look at oil and it is a chilling reminder. When this bull ends the bear is likely to be quick and hard to react to. The things that concern us in order are, the strength in the dollar or the weakness of the euro and yen, slow to negative earnings growth, valuations, potential for interest rates to rise globally, and geopolitical risks. In the meantime, the markets on a short term basis are oversold and should bounce unless the trend changes. The trend of the market is in a long term up cycle, above the 200 day moving average, which is at 2004 on the S&P 500.

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### S&P Sector Performance

Index	Price	Last Week	YTD
Information Technology	690	-2.4%	-0.2%
Consumer Disc.	595	-0.3%	3.9%
Consumer Staples	494	-1.3%	-1.1%
Health Care	829	0.5%	4.6%
Financials	327	0.4%	-1.9%
Industrials	480	-0.7%	-1.3%
Energy	545	-2.8%	-7.1%
Telecommunications	154	-0.6%	0.7%
Utilities	219	0.1%	-8.6%
Materials	312	-1.3%	2.2%

Source: Bloomberg website, Returns are appreciation only.

### Interest Rates

Fed Fund	0.25	5-Year	1.60
3-Month	0.03	10-Year	2.13
6-Month	0.11	30-Year	2.70
2-Year	0.68		

Source: Bloomberg.com

### Economic Events This Week

Date	Event	Forecast	Previous
16-Mar	Industrial Production	0.3%	-0.3%
16-Mar	Capacity Utilization	79.5%	79.1%
17-Mar	Housing Starts	1041K	1065K
17-Mar	Building Permits	1070K	1053K
17-Mar	FOMC Rate Decision	0.25%	0.25%
19-Mar	Initial Claims	293K	289K
19-Mar	Philadelphia Fed	6.9	5.2

19-Mar	Leading Indicators	0.2%	0.2%
Source: Briefing.com			
Economic Events Last Week			
Date	Event		
10-Mar	Wholesale Inventories for Jan. rose 0.3% which was higher than estimates of -0.1%		
12-Mar	Initial Claims for the week of 3/7 came in at 289K compared to forecasts of 306K		
12-Mar	Retail Sales for Feb. declined - 0.6% vs. expectations of 0.4%		
12-Mar	Retail Sales ex-auto for Feb. was - 0.1% vs. estimates of 0.6%		
12-Mar	Business Inventories for Jan. was flat vs. expectations of 0.1%		
13-Mar	PPI for Feb. was reported at -0.5% compared to consensus forecasts of 0.3%		
13-Mar	Core PPI for Feb. was also -0.5% compared to estimates of 0.1%		
13-Mar	Michigan Sentiment for Mar. came in at 91.2 which was slightly below forecasts of 95.8		
Source: Briefing.com			

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