



## Market in a Minute

May 5, 2015

### Index Performance

Index	Price	Last Week	YTD
Dow Jones 30	18024	-0.3 %	1.1%
S&P 500	2108	-0.4%	2.4%
NASDAQ	5005	-1.7%	5.7%
Russell 2000	1228	-3.1%	1.9%
Russell 2000 Growth	753	-3.8%	4.3%
Russell 2000 Value	1517	-2.4%	-0.4%
Russell 1000 Growth	1011	-1.0%	5.1%
Russell 1000 Value	1223	-0.1%	1.1%
Shanghai SE Index	4693	1.9%	38.5%
SPDR Gold Shares	113.08	0.0%	-0.4%
GS Crude Oil Total Return	12.39	4.0%	-1.2%
Powershares US \$ Index	25.03	-1.9%	4.4%
Ishares EAFE Index	67.25	-0.2%	10.5%
iShares Barclays 20+ Yr Treasury Bond	124.00	-3.9%	-1.5%
Utilities Select Sector ETF	44.47	-1.5%	-5.8%
Vanguard REIT ETF	79.98	-3.2%	-1.3%
iShares Mortgage Real Estate	11.67	-1.6%	-0.3%
Wells Fargo BDC	23.40	-0.6%	4.5%
Alerian MLP ETF	17.24	0.9%	0.1%
iShares Global Telecom	64.86	-0.3%	7.9%

Source: Bloomberg & MSN, Returns are appreciation only.

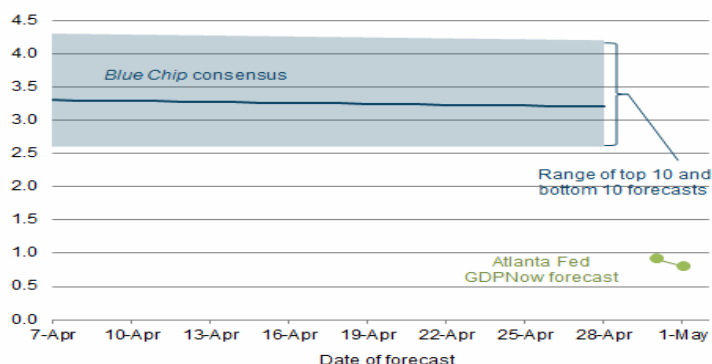
### S&P Sector Performance

Index	Price	Last	YTD
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### A Word on the Market by Pat Adams, CFA

Last week, the first quarter GDP was reported, and as we expected, it came in much below expectations, up only .2%, with the consensus at 1%. We really like the Federal Reserve Bank of Atlanta's website and analysis. Their model seems very accurate. They were dead on with their first quarter GDP forecast. You can see below the average economist is expecting a pickup in GDP growth to about 3.25% in the second quarter. It makes sense to see a rise in GDP, but the Atlanta Fed model is expecting .8%, this would be disappointing, and would likely see more pressure on earnings.

**Evolution of Atlanta Fed GDPNow real GDP forecast for 2015: Q2**  
Quarterly percent change (SAAR)



Sources: Blue Chip Economic Indicators and Blue Chip Financial Forecasts

One theme that has been going around Wall Street is how to short the European bond market, as 25% of all Euro sovereign debt has a negative yield. How it's possible to have a negative yield beats us. We obviously have a global bond market bubble. Keep in mind the central banks of the world have inflated all major asset classes, but bonds in particular. We understand the hedge funds are having structured notes created, much like what was done betting on the housing market demise in 2008/2009. You can leverage up a short position in bonds, have them mature and

		Week	
Information Technology	719	-0.1%	4.0%
Consumer Disc.	606	-1.6%	5.7%
Consumer Staples	501	-0.7%	0.3%
Health Care	840	-2.3%	6.1%
Financials	328	0.3%	-1.7%
Industrials	485	0.0%	-0.3%
Energy	605	1.1%	3.1%
Telecommunications	160	0.9%	4.6%
Utilities	226	-1.6%	-6.0%
Materials	321	2.0%	5.3%

Source: Bloomberg website, Returns are appreciation only.

#### Interest Rates

Fed Fund	0.25	5-Year	1.50
3-Month	0.01	10-Year	2.12
6-Month	0.05	30-Year	2.82
2-Year	0.60		

Source: Bloomberg.com

#### Economic Events This Week

Date	Event	Forecast	Previous
4-May	Factory Orders	2.1%	-0.1%
6-May	Productivity-Prel	-1.8%	-2.2%
7-May	Initial Claims	280K	262K
8-May	Nonfarm Payrolls	218K	126K
8-May	Unemployment Rate	5.4%	5.5%
8-May	Hourly Earnings	0.2%	0.3%
8-May	Wholesale Inventories	0.3%	0.3%

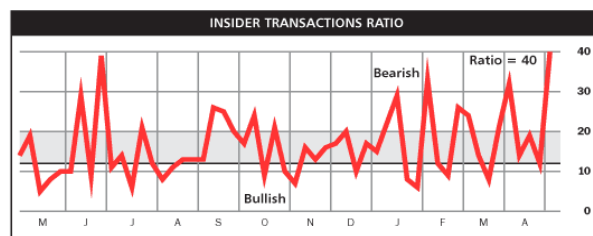
Source: Briefing.com

#### Economic Events Last Week

Date	Event

achieve a positive return. If rates spike up for some reason a short position would have big oversized returns. The U.S rates appear to be linked to European rates to some extent.

Below is the current chart of insider selling versus buying ratio. Insiders have been selling in a big way recently. Think about it, earnings have turned negative, valuations are at a 10 year high, and the Fed will potentially start raising rates in an economy that is not exactly robust. The theory goes insiders have better information to make decisions.



Ratio of Insiders Sales to Buys. Readings under 12:1 are Bullish. Those over 20:1 are Bearish.  
The total top 20 sales and buys are 501,703,374 and 12,545,836 respectively; Source: Thomson Reuters

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<b>28-Apr</b>	Consumer Confidence for Apr. came in at 95.2 which was lower than estimates of 102.2
<b>29-Apr</b>	GDP-Adv. for Q1 was 0.2% compared to forecasts of 1.0%
<b>29-Apr</b>	The Chain Deflator-Adv. for Q1 was -0.1% vs. expectations of 0.5%
<b>30-Apr</b>	The FOMC left rate unchanged at 0.25% as expected
<b>30-Apr</b>	Initial Claims for the week of 4/25 came in at 262K vs. estimates of 290K
<b>30-Apr</b>	Personal Income for Mar. was flat vs. expectations of 0.2%
<b>30-Apr</b>	Personal Spending for Mar. was reported at 0.4% vs. forecasts of 0.5%
<b>30-Apr</b>	The Chicago PMI for Apr. was 52.3 compared to estimates of 50.0
<b>1-May</b>	The ISM Index for Apr. was 51.5 vs. expectations of 52.0
<b>1-May</b>	The Michigan Sentiment for Apr. came in at 95.9 compared to forecasts of 96.0
<b>1-May</b>	Auto Sales for Apr. were reported at 5.3M vs. prior units of 5.4M
<b>1-May</b>	Construction spending for Mar. was down -0.6% vs. estimates of 0.4%
Source: Briefing.com	

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