



Market in a Minute

May 12, 2015

Index Performance

Index	Price	Last Week	YTD
Dow Jones 30	18273	0.4%	2.5%
S&P 500	2123	0.3%	3.1%
NASDAQ	5048	0.9%	6.6%
Russell 2000	1244	0.7%	3.3%
Russell 2000 Growth	767	0.9%	6.1%
Russell 2000 Value	1529	0.6%	0.3%
Russell 1000 Growth	1019	0.6%	6.0%
Russell 1000 Value	1232	0.2%	1.9%
Shanghai SE Index	4513	1.2%	33.1%
SPDR Gold Shares	117.53	3.1%	3.5%
GS Crude Oil Total Return	12.48	0.6%	-0.5%
Powershares US \$ Index	24.51	-1.6%	2.3%
Ishares EAFE Index	68.42	1.1%	12.5%
iShares Barclays 20+ Yr Treasury Bond	121.59	-0.8%	-3.4%
Utilities Select Sector ETF	44.32	0.7%	-6.1%
Vanguard REIT ETF	81.09	0.8%	0.1%
iShares Mortgage Real Estate	11.65	0.5%	-0.5%
Wells Fargo BDC	23.04	1.2%	2.9%
Alerian MLP ETF	16.88	-0.6%	-2.0%
iShares Global Telecom	65.09	0.4%	8.3%

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 market pierced above the resistance that has been tested repeatedly for the S&P 500 of 2120. What happens from here is the market should move higher based on this near term momentum. However, it is a little like watching a 350 pound lineman run the 40 yard dash. It is just not the same sort of sprint we have seen during the prior break outs of this past 6 year bull market. The chart looks tired in our opinion, which is now back to a very overbought condition. We think on a technical basis the way to play this current move is to wait for a pullback from this elevated level to the support level, which is 2085 on the S&P 500. We are surprised the volatility has not significantly increased this year.

The valuation of the market is high as earnings are now 119.64 for the S&P 500, which is about 1.7% growth for 2015. We believe that as long as oil prices do not retest the lows, and the dollar does not move up, the earnings seem reasonable for 2015. The P/E for the S&P 500 stands at 17.8x. If you were going to allocate between stocks and bonds, then the stock market is more attractive, but it does not mean you will have a positive return.

This week we get earnings reports from the major retailers including Wal-Mart and Home Depot on Tuesday. The economy for the second quarter appears to be on a pace for a 0.7% growth up from a likely negative number in the first quarter when all the

		Week	
Information Technology	723	0.7%	4.5%
Consumer Disc.	607	-0.1%	6.0%
Consumer Staples	511	1.2%	2.2%
Health Care	858	1.1%	8.3%
Financials	332	-0.2%	-0.3%
Industrials	491	0.8%	0.9%
Energy	588	-1.7%	0.2%
Telecommunications	158	0.2%	3.4%
Utilities	224	0.2%	-6.7%
Materials	322	-0.3%	5.6%

Source: Bloomberg website, Returns are appreciation only.

Interest Rates

Fed Fund	0.25	5-Year	1.46
3-Month	0.02	10-Year	2.14
6-Month	0.09	30-Year	2.93
2-Year	0.55		

Source: Bloomberg.com

Economic Events This Week

Date	Event	Forecast	Previous
19-May	Housing Starts	1019K	926K
19-May	Building Permits	1065K	1039K
21-May	Initial Claims	270K	264K
21-May	Existing Home Sales	5.24M	5.19M
21-May	Philadelphia Fed	8.0	7.5
21-May	Leading Indicators	0.3%	0.2%
22-May	CPI	0.1%	0.2%
22-May	Core CPI	0.2%	0.2%

Source: Briefing.com

Economic Events Last Week

revisions are made. The market would like to see the retailers start to generate better sales trends to support a view of the market that has a nearly 18x earnings multiple.

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Date	Event
13-May	Retail Sales for Apr. was flat vs. expectations of 0.2%
13-May	Retail Sales ex-auto for Apr. was up 0.1% vs. estimates of 0.4%
13-May	Business Inventories for Mar. was 0.1% vs. forecasts of 0.2%
14-May	Initial Claims for the week of 5/9 came in at 264K, which was slightly below expectations of 275K
14-May	PPI for Apr. was -0.4% compared to estimates of 0.2%
14-May	Core PPI for Apr. was -0.2% vs. forecasts of 0.1%
15-May	Industrial Production for Apr. was -0.3% which was lower than estimates of 0.1%
15-May	Capacity Utilization for Apr. came in at 78.2% compared to consensus forecasts of 78.4%
15-May	The Michigan Sentiment for May was 88.6, which was well below expectations of 96.1
Source: Briefing.com	

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