



Market in a Minute

June 16, 2015

Index Performance: As of June 12, 2015

Index	Price	Last Week	YTD
Dow Jones 30	17899	0.3%	0.4%
S&P 500	2094	0.3%	1.7%
NASDAQ	5051	-0.3%	6.7%
Russell 2000	1265	0.3%	5.0%
Russell 2000 Growth	785	0.1%	8.8%
Russell 2000 Value	1542	0.6%	1.2%
Russell 1000 Growth	1004	-0.1%	4.5%
Russell 1000 Value	1223	0.3%	1.1%
Shanghai SE Index	5411	2.9%	59.6%
SPDR Gold Shares	113.23	0.9%	-0.3%
GS Crude Oil Total Return	12.31	2.0%	-1.8%
Powershares US \$ Index	24.89	-1.6%	3.8%
Ishares EAFE Index	66.20	0.9%	8.8%
iShares Barclays 20+ Yr Treasury Bond	117.95	0.3%	-6.3%
Utilities Select Sector ETF	42.54	-0.4%	-9.9%
Vanguard REIT ETF	77.45	0.3%	-4.4%
iShares Mortgage Real Estate	11.34	0.2%	-3.2%
Wells Fargo BDC	22.89	-0.4%	2.2%
Alerian MLP ETF	16.11	-0.9%	-6.4%
iShares Global Telecom	63.25	0.9%	5.3%

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

The Federal Reserve meets this week and plans a press conference on Wednesday. Other than this week, the Fed will meet in July, September, October and December. It is widely expected the Fed will raise rates in September. Generally, when the Fed raises rates it is not once or twice but numerous times. Our best guess is if the consensus actually discounted numerous increases in interest rates the stock market would be considerably lower and interest rates would be considerably higher. Our view is the Fed will likely increase rates in September and then again in October, and perhaps several times next year. We would expect a 10%-15% decline in the stock market as this becomes consensus, as long as the global economy can handle it. We don't think it will have a major impact on GDP growth, but could have a significant impact on asset prices. We think this press conference on Wednesday could give us more clarity on the timing and magnitude. It would surprise us if Yellen did not lay the ground work for a rate increase.

In terms of technicals on the stock market, we pointed out last week the bond market appears to have changed trends from falling yields to rising yields, or falling bond prices. The long bull market in bonds appears to be over. The stock market is losing considerable momentum as the index is below the shorter term moving averages, however it is still above the 200 day moving average, which is 2048 on the S&P 500. The index is only 2.2% from the very important 200 day. We have mentioned previously the Dow Jones Transportation Average is already in a downtrend, the 20 day and 50 day are below the 200 day and the index is below all three. The Dow Jones Utilities look even worse.

		Week	
Information Technology	712	-0.7%	2.8%
Consumer Disc.	606	0.0%	5.8%
Consumer Staples	491	0.8%	-1.7%
Health Care	858	0.1%	8.4%
Financials	336	1.0%	0.9%
Industrials	481	0.2%	-1.2%
Energy	561	-0.9%	-4.4%
Telecommunications	154	0.2%	0.7%
Utilities	214	-0.5%	-10.7%
Materials	314	0.4%	2.8%

Source: Bloomberg website, Returns are appreciation only.

Interest Rates

Fed Fund	0.25	5-Year	1.75
3-Month	0.02	10-Year	2.39
6-Month	0.10	30-Year	3.10
2-Year	0.74		

Source: Bloomberg.com

Economic Events This Week

Date	Event	Forecast	Previous
15-Jun	Industrial Production	0.3%	-0.3%
15-Jun	Capacity Utilization	78.3%	78.2%
16-Jun	Housing Starts	1100K	1135K
16-Jun	Building Permits	1100K	1143K
17-Jun	FOMC Rate Decision	0.25%	0.25%
18-Jun	Initial Claims	276K	279K
18-Jun	CPI	0.5%	0.1%
18-Jun	Core CPI	0.2%	0.3%
18-Jun	Philadelphia Fed	8.0	6.7
18-Jun	Leading Indicators	0.4%	0.7%

In terms of sentiment, most of the investor sentiment indices are still very bullish, except for the AAI Index. This index does seem to move very quickly. AAI is currently 20% bullish, 32.6% bearish, and 47.4% neutral. We do not believe this is an accurate indicator of broad based investor sentiment, but it raises a red flag that perhaps the bullishness is fading.

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Source: Briefing.com

Economic Events Last Week

Date	Event
9-Jun	Wholesale Inventories for Apr. came in at 0.4% which was slightly higher than estimates of 0.2%
11-Jun	Initial Claims for the week of 6/6 were 279K compared to expectations of 278K
11-Jun	Retail Sales for May rose 1.2% vs. forecasts of 1.1%
11-Jun	Retail Sales ex-auto rose 1.0% vs. expectations of 0.7%
11-Jun	Business Inventories for Apr. rose 0.4% compared to estimates of 0.2%
12-Jun	PPI for May came in at 0.5% vs. consensus forecasts of 0.4%
12-Jun	Core PPI for May was in line with estimates of 0.1%
12-Jun	The Michigan Sentiment for Jun. was 94.6 which was higher compared to forecasts of 91.5

Source: Briefing.com

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