



Market in a Minute
April 12, 2016

Index Performance: As of April 8, 2016

Index	Price	Last Week	YTD
Dow Jones 30	17577	-1.2%	0.9%
S&P 500	2048	-1.2%	0.2%
NASDAQ	4851	-1.3%	-3.1%
Russell 2000	1097	-1.8%	-4.6%
Russell 2000 Growth	668	-0.7%	-5.6%
Russell 2000 Value	1364	-2.3%	-1.2%
Russell 1000 Growth	1000	-0.3%	0.0%
Russell 1000 Value	1172	-1.2%	0.8%
Shanghai SE Index	3124	-0.6%	-15.7%
SPDR Gold Shares	118.43	1.3%	16.7%
GS Crude Oil Total Return	5.30	7.1%	-14.9%
Powershares US \$ Index	24.42	-0.4%	-4.8%
iShares EAFE Index	56.46	-0.2%	-3.8%
iShares Barclays 20+ Yr Treasury Bond	132.01	1.0%	9.5%
Utilities Select Sector ETF	48.85	-1.9%	12.9%
Vanguard REIT ETF	83.16	-0.6%	4.3%
iShares Mortgage Real Estate	9.60	-0.4%	0.4%
Wells Fargo BDC	20.02	-2.9%	-1.3%
Alerian MLP ETF	10.89	2.7%	-9.6%
iShares Global Telecom	61.54	-0.9%	6.4%

Source: Bloomberg & MSN, Returns are appreciation only.

S&P Sector Performance

Index	Price	Last Week	YTD
Information Technology	729	-1.9%	1.1%
Consumer Disc.	619	-2.1%	-0.4%
Consumer Staples	548	-0.5%	5.6%

A Word on the Market by Pat Adams, CFA

Both the Yen and the Euro have been strong lately. It is rather confusing to the financial markets as to why and is attributable to some of the weakness in global markets recently. Both Japan and Europe have negative interest rate policies, which is very negative for their currencies. Below, you can see the U.S. Dollar ETF, which peaked about a year ago, and is now off about 8% from that level. This is good news for the U.S. economy, commodity prices, and we would argue as a result, a positive for the stock market. This is perhaps not sustainable.

Powershares US Dollar ETF



There is a lot of economic data that will be reported this week, particularly the Retail Sales report and the inflation number. This is the first week of earnings. The banks have been under pressure this year. Their earnings are expected to be down year over year. This is a major sector of the S&P 500 and it was the worst performing major sector during last week's sell off, and has had negative performance for the year. This sector is cheap and it would not surprise us to see some better than feared news and some consolidation. Also, CSX reports and expects a weak quarter. This is a good read on the economy. As the dollar is lower year over year it should help earnings improve as we move forward through the year.

Health Care	801	0.9%	-3.9%
Financials	297	-2.9%	-7.6%
Industrials	477	-1.5%	3.0%
Energy	466	2.2%	3.9%
Telecommunications	168	-2.3%	12.2%
Utilities	248	-2.0%	12.7%
Materials	281	-1.1%	2.5%

Source: Bloomberg website, Returns are appreciation only.

Interest Rates

Fed Fund	0.50	5-Year	1.16
3-Month	0.23	10-Year	1.73
6-Month	0.34	30-Year	2.56
2-Year	0.70		

Source: Bloomberg.com

Economic Events This Week

Date	Event	Forecast	Previous
13-Apr	PPI	0.3%	-0.2%
13-Apr	Core PPI	0.2%	0.0%
13-Apr	Retail Sales	0.1%	-0.1%
13-Apr	Retail Sales ex-auto	0.4%	-0.1%
13-Apr	Business Inventories	-0.1%	0.1%
14-Apr	CPI	0.3%	-0.2%
14-Apr	Core CPI	0.2%	0.3%
14-Apr	Initial Claims	268K	267K
15-Apr	Industrial Production	0.0%	-0.5%
15-Apr	Capacity Utilization	75.5%	76.7%
15-Apr	Michigan Sentiment-Prelim	92.0	91.0

Source: Briefing.com

Economic Events Last Week

Date	Event
4-Apr	Factory Orders for Feb. was down - 1.7% which was in line with the consensus estimates
7-Apr	Initial Claims for the week of 4/2 came in at 267K compared to expectations of

Speaking of consolidation, we believe this may become an investment theme. We are seeing it in the Mortgage REIT space as well the BDCs. We think all sectors will begin to see the same trend, with weak economic growth and low interest rates it is a natural way for companies to continue to grow. Value stocks will greatly benefit from this trend. Value greatly outperformed growth in the first quarter.

We obviously made a short term bottom at 1810 on the S&P 500, and we bounced. We played that bounce well. The high of 2135 reached in May of last year looks like an impossible summit to get over. Earnings are now down 4 quarters in a row, and this quarter is down about -8%. Valuations are high at 17.5x. Growth stocks got very extended. The good news is the dollar is considerably weaker, which will help commodities and oil. The Fed woke up to the fact the global economy is very weak. We are watching how the market responds to negative earnings and seeing if the technical support levels can hold.

Please visit our website for more information.

www.pvgassetmanagement.com

	270K
8-Apr	Wholesale Inventories for Feb. was reported at -0.5% which was lower than forecasts of -0.2%
Source: Briefing.com	

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