



Market in a Minute

May 3, 2016

Index Performance: As of April 29, 2016

Index	Price	Last Week	YTD
Dow Jones 30	17774	-1.3%	2.0%
S&P 500	2065	-1.3%	1.0%
NASDAQ	4775	-2.7%	-4.6%
Russell 2000	1131	-1.4%	-1.6%
Russell 2000 Growth	679	-2.4%	-4.0%
Russell 2000 Value	1424	-0.3%	3.2%
Russell 1000 Growth	993	-1.7%	-0.7%
Russell 1000 Value	1207	-0.7%	3.8%
Shanghai SE Index	3075	-0.7%	-17.0%
SPDR Gold Shares	123.65	4.9%	21.9%
GS Crude Oil Total Return	6.05	5.6%	-2.9%
Powershares US \$ Index	24.10	-2.2%	-6.0%
Ishares EAFE Index	58.43	-1.9%	-0.5%
iShares Barclays 20+ Yr Treasury Bond	129.39	0.8%	7.3%
Utilities Select Sector ETF	48.42	2.3%	11.9%
Vanguard REIT ETF	81.83	0.1%	2.6%
iShares Mortgage Real Estate	9.83	1.3%	2.8%
Wells Fargo BDC	20.46	-0.9%	0.9%
Alerian MLP ETF	12.21	0.0%	1.3%
iShares Global Telecom	62.18	-0.8%	7.5%

Source: Bloomberg & MSN, Returns are appreciation only.

S&P Sector Performance

Index	Price	Last Week	YTD
Information Technology	6.97	-3.6%	-3.4%
Consumer Disc.	629	-0.3%	1.2%
Consumer Staples	536	0.7%	3.3%

A Word on the Market by Pat Adams, CFA

Last week the S&P 500 fell -1.26%, not much, but the growth sectors of the market really took a beating, with technology down -3.75% and healthcare down -2.97%. These are growth sectors of the market, where money has been flowing out of and into the value sectors. The market had been up 10 weeks in a row, which is unusual and was due for a pull back. Apple took a big dip as they missed on their earnings and gave very weak guidance. Japan has also been weak in reaction to their central bank not increasing monetary policy. We are not sure what else they can do. Their market is off about -8% in the last 10 days.

The breadth of the market continues to be strong, as this rotation into value stocks continues. However, we continue to be concerned about the market running out of momentum. The valuations are high at 17.5x earnings, and weak earnings growth. The earnings decline is -7.6% at this point of the first quarter.

Below is a chart of the fundamentals, earnings, and price. The green line is the S&P 500 Index and the blue line is earnings for the S&P 500. The earnings have flattened out for a couple of years and the market hit a high in May of 2015, but has also been flat. As we are at the upper end of the trading range with weak earnings we do not see much of a move in the market, until the valuation improves or earnings start to reaccelerate.

Health Care	806	-3.0%	-3.2%
Financials	314	-1.3%	-2.5%
Industrials	488	-0.5%	5.2%
Energy	502	0.5%	12.0%
Telecommunications	167	1.1%	11.5%
Utilities	246	2.2%	11.7%
Materials	296	-0.3%	8.0%

Source: Bloomberg website, Returns are appreciation only.

Interest Rates

Fed Fund	0.50	5-Year	1.28
3-Month	0.22	10-Year	1.83
6-Month	0.40	30-Year	2.66
2-Year	0.56		

Source: Bloomberg.com

Economic Events This Week

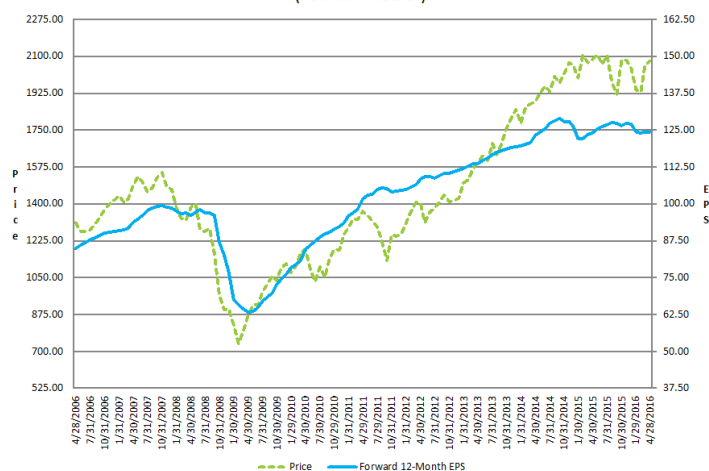
Date	Event	Forecast	Previous
2-May	ISM Index	51.4	51.8
2-May	Construction Spending	0.6%	1.0%
4-May	Productivity-Prel	-1.4%	-2.2%
4-May	Factory Orders	0.5%	-1.7%
5-May	Initial Claims	259K	257K
6-May	Nonfarm Payrolls	207K	215K
6-May	Nonfarm Private Payrolls	191K	195K
6-May	Unemployment Rate	5.0%	5.0%
6-May	Hourly Earnings	0.3%	0.3%

Source: Briefing.com

Economic Events Last Week

Date	Event
25-Apr	New Home Sales for Mar. came in at 511K compared to estimates of 521K
26-Apr	Durable Orders for Mar. was up 0.8% which was lower vs. expectations of 1.7%
26-Apr	Durable Goods ex-transportation for Mar. was down -0.2% vs. forecasts of 0.5%

S&P 500 Change in Forward 12-Month EPS vs. Change in Price: 10 Years
(Source: FactSet)



Friday is important, as the Employment report is out. We believe a weak report will be viewed poorly as our economic growth of .5% was disappointing and would lead investors to believe this poor trend is continuing. A strong report will raise the concern of a rate increase in June, which the market will not take well.

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26-Apr	Consumer Confidence for Apr. came in at 94.2 vs. estimates of 96.7
27-Apr	The FOMC left short interest rate at 0.5% as expected
28-Apr	GDP-Adv. for Q1 was reported at 0.5% vs. forecasts of 0.9%
28-Apr	The Chain Deflator-Adv. for Q1 came in at 0.7% compared to expectations of 0.6%
28-Apr	Initial Claims for the week of 4/23 were reported at 257K which was slightly lower than forecasts of 259K
29-Apr	Personal Income for Mar. rose 0.4% vs. estimates of 0.3%
29-Apr	Personal Spending for Mar. increased 0.1% vs. expectations of 0.2%
29-Apr	The Chicago PMI for Apr. came in at 50.4 vs. forecasts of 53.3
29-Apr	The Michigan Sentiment-Final for Apr. was reported at 89.0 compared to estimates of 90.0
Source: Briefing.com	

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