**Weekly Market Commentary**

**April 13, 2015**

**The Markets**

How much is one trillion?

* If you waited one trillion seconds, it would take 31,688 years.
* If you had a trillion dollars, and spent $10 million a day, it would take 273 years to go broke.
* If you taped $100 bills end-to-end, you could wrap the earth 41 times with $1 trillion dollars.
* Alternatively, you could paper over Delaware in $100 bills – twice.

Last week, the value of global equities surpassed – not $1 trillion – but $70 trillion, according to *BloombergBusiness*, which credited central banks’ stimulus programs for soaring stock values. Of the 24 national stock indices covered by *Barron’s*, 10 have delivered double-digit returns year-to-date. These include Australia, Japan, Hong Kong, China, and Philippines in the Asia Pacific region, and France, Germany, Italy, Spain, and Sweden in Europe. The Standard & Poor’s 500, NASDAQ, and Dow Jones Industrial indices all remained in single-digit territory. *Barron’s* reported:

“The market could bounce higher if first-quarter results come in above reduced targets. So far, 20 of the 24 companies releasing earnings have topped expectations, FactSet reports. The Dow Jones industrials were propelled above 18,000 again last week, and the S&P 500 climbed north of 2100.

But those who look beyond the first quarter see a number of head winds facing U.S. equities. The Federal Reserve appears ready to start raising interest rates, for one. The strong dollar looks to be a drag on trade and earnings, and profit margins could be about to peak. Add to this widespread investor optimism and above-average earnings multiples and the market could be vulnerable.”

Experts are uncertain about the direction of stock markets and so are investors. Last week’s AAII (American Association of Individual Investors) Investor Sentiment Survey showed both bullish and bearish sentiments were below long-term averages (and lower than the previous week) while neutral sentiment is relatively high (and was up 14.5 percent over the previous week).

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| **Data as of 4/10/15** | **1-Week** | **Y-T-D** | **1-Year** | **3-Year** | **5-Year** | **10-Year** |
| Standard & Poor's 500 (Domestic Stocks) | 1.7% | 2.1% | 14.7% | 15.7% | 11.9% | 5.9% |
| Dow Jones Global ex-U.S. | 2.1 | 6.7 | 0.3 | 6.8 | 2.8 | 3.3 |
| 10-year Treasury Note (Yield Only) | 2.0 | NA | 2.6 | 2.0 | 3.9 | 4.5 |
| Gold (per ounce) | 0.7 | 0.7 | -8.6 | -9.8 | 0.8 | 10.9 |
| Bloomberg Commodity Index | -0.2 | -4.7 | -27.4 | -10.6 | -5.9 | -4.5 |
| DJ Equity All REIT Total Return Index | -2.5 | 2.2 | 20.3 | 14.9 | 14.1 | 9.3 |

S&P 500, Dow Jones Global ex-US, Gold, Bloomberg Commodity Index returns exclude reinvested dividends (gold does not pay a dividend) and the three-, five-, and 10-year returns are annualized; the DJ Equity All REIT Total Return Index does include reinvested dividends and the three-, five-, and 10-year returns are annualized; and the 10-year Treasury Note is simply the yield at the close of the day on each of the historical time periods.

Sources: Yahoo! Finance, Barron’s, djindexes.com, London Bullion Market Association.

Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly. N/A means not applicable.

**it’s a millennial thing.**  Sure, you know China surpassed the United States to become the world’s largest economy, but did you know the millennial generation surpassed the baby boomers to become the largest generation here in America? According to *Pew Research*, there were about 75.3 million millennials (born from 1981 to 1997) at the end of 2014 and about 74.9 million baby boomers (born from 1946 to 1964).

It’s no secret baby boomers have had a profound affect on the American economy. *History.com* reported:

“Baby boomers bought mouse-ear hats to wear while they watched “The Mickey Mouse Club” and coonskin caps to wear while they watched Walt Disney’s TV specials about Davy Crockett. They bought rock and roll records, danced along with “American Bandstand,” and swooned over Elvis Presley. They collected hula hoops, Frisbees, and Barbie dolls. A 1958 story in Life magazine declared “kids” were a “built-in recession cure.”

As they retire, the baby boomers are expected to have a profound influence on health and wellness providers, pharmaceutical companies, and others in markets that serve the needs of retired Americans.

The boomer generation has been the focus of investors for so many years it can be easy to forget about the influence of millennials. They’ve come of age during the Great Recession which curbed their appetite for consumption. Millennials’ preference for access rather than ownership sparked the ‘sharing economy,’ which includes online companies that facilitate the sharing of unused goods. *The New York Times* reported, “Millions of people are using social media sites, redistribution networks, rentals, and cooperatives to share not only cars but also homes, clothes, tools, toys, and other items at low or near zero marginal cost. The sharing economy had projected revenues of $3.5 billion in 2013.”

It’s a good idea to keep an eye on demographic change. It can have a profound impact on economies, industries, and companies.

**Weekly Focus – Think About It**

“When your mother asks 'Do you want a piece of advice?' it is a mere formality. It doesn't matter if you answer yes or no. You're going to get it anyway.”

*--Erma Bombeck, Advice columnist*

Best Regards,

Scott J. LeClaire, CFP®, ChFC

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\* Government bonds and Treasury Bills are guaranteed by the U.S. government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value. However, the value of fund shares is not guaranteed and will fluctuate.

\*Corporate bonds are considered higher risk than government bonds but normally offer a higher yield and are subject to market, interest rate and credit risk as well as additional risks based on the quality of issuer coupon rate, price, yield, maturity, and redemption features.

\* The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. You cannot invest directly in this index.

\* The Standard & Poor’s 500 (S&P 500) is an unmanaged index. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment.

\* The Dow Jones Global ex-U.S. Index covers approximately 95% of the market capitalization of the 45 developed and emerging countries included in the Index.

\* The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.

\* Gold represents the afternoon gold price as reported by the London Bullion Market Association. The gold price is set twice daily by the London Gold Fixing Company at 10:30 and 15:00 and is expressed in U.S. dollars per fine troy ounce.

\* The Bloomberg Commodity Index is designed to be a highly liquid and diversified benchmark for the commodity futures market. The Index is composed of futures contracts on 19 physical commodities and was launched on July 14, 1998.

\* The DJ Equity All REIT Total Return Index measures the total return performance of the equity subcategory of the Real Estate Investment Trust (REIT) industry as calculated by Dow Jones.

\* Yahoo! Finance is the source for any reference to the performance of an index between two specific periods.

\* Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance.

\* Economic forecasts set forth may not develop as predicted and there can be no guarantee that strategies promoted will be successful.

\* Past performance does not guarantee future results. Investing involves risk, including loss of principal.

\* You cannot invest directly in an index.

\* Consult your financial professional before making any investment decision.

\* Stock investing involves risk including loss of principal.

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