



### **Cantella & Co., Inc.**

Member FINRA/SIPC  
 Greg & Sierra James  
 5125 S Kipling St.  
 Suite 204  
 Littleton, CO 80127  
 303-933-9697  
[sjames@cantella.com](mailto:sjames@cantella.com)  
[gjames@cantella.com](mailto:gjames@cantella.com)



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Hi,

We just launched our new website so please take a look: [www.jamesfamilyadvisors.com](http://www.jamesfamilyadvisors.com). If you know anyone who would like to receive these monthly emails please let us know or direct them to the website for more information. We hope you have a great month!

Sincerely,

Greg and Sierra James



## **MARKET MONTH: APRIL 2015**

### **The Markets**

Investors seemed to take their emotional cue from a spate of mixed earnings results and economic data, waffling between enthusiasm and caution throughout the month. The Nasdaq finally recouped the losses it incurred during the technology crash 15 years ago, hitting a new record high during the third week of April. It then gave up much of that ground to end the month less than 1% higher than where it started. The S&P 500 and Russell 2000 indexes also managed to hit new highs, only to retreat again, posting a modest gain of 0.85% and a loss of 2.61%, respectively. The benchmark 10-year Treasury yield rose past the 2% mark.

Internationally, investors kept a keen eye on Greece and its ongoing discussions with creditors, as speculation continued about the country's ability to repay its debts. Despite this uncertainty, April seemed to favor global stocks, which surged 3.30%.

Oil prices reached new highs for the year towards month's end, with U.S. crude closing April at about \$60/barrel. Gold closed the month virtually unchanged from March, at \$1,183 an ounce. The dollar posted its worst monthly loss in four years, losing approximately 3.7% against a basket of six other currencies.

#### **Key Dates/Data Releases**

**5/1: Auto sales, ISM Manufacturing Index, construction spending**

**5/4: Factory orders**

**5/5: International trade, ISM Non-Manufacturing Index**

**5/6: Business productivity**

**5/8: Unemployment/payrolls**

**5/12: JOLTS job turnover report**

**5/13: Retail sales, business inventories**

**5/14: Wholesale inflation**

**5/15: Empire State manufacturing survey, industrial production,**

Market/Index	2014 Close	Prior Month	As of 4/30	Month Change	YTD Change
DJIA	17823.07	17776.12	17840.52	0.36%	0.10%
Nasdaq	4736.05	4900.88	4941.42	0.83%	4.34%

**University of Michigan  
Consumer Sentiment  
Survey**

**5/19: Housing starts**

**5/20: FOMC minutes**

**5/21: Philly Fed  
manufacturing survey,  
existing home sales**

**5/22: Consumer  
inflation**

**5/26: Durable goods  
orders, new home  
sales, S&P Case-Shiller  
Home Price Index**

**5/29: Q1 GDP (second  
estimate)**

<b>S&amp;P 500</b>	2058.90	2067.89	2085.51	0.85%	1.29%
<b>Russell 2000</b>	1204.70	1252.77	1220.12	-2.61%	1.28%
<b>Global Dow</b>	2501.66	2518.18	2601.33	3.30%	3.98%
<b>Fed. Funds</b>	.25%	.25%	.25%	0 bps	0 bps
<b>10-year Treasuries</b>	2.17%	1.94%	2.05%	11 bps	-12 bps

Chart reflects price changes, not total return. Because it does not include dividends or splits, it should not be used to benchmark performance of specific investments.

## The Month in Review

- The Nasdaq broke its 15-year-old record set in March 2000, reaching a high of 5092.08 on April 24. The S&P 500 and the Russell 2000 also hit new highs during the month.
- Gross domestic product rose at just 0.2% during the first quarter of 2015, according to the Bureau of Economic Analysis's (BEA) advance estimate. That compares with a 2.2% rise in Q4 2014. Observers noted several factors that could have been at play during the winter months, including challenging weather, a strengthening dollar, disruptions in West Coast port operations, and lower oil prices.
- In its April meeting announcement, the Federal Open Market Committee suggested that the first quarter's slower growth was due in part to "transitory factors," such as the ones noted above. The committee also said that, with "appropriate policy accommodation," it expects growth to expand at a moderate pace. Noting its mandate to "foster maximum employment and price stability," the Fed reiterated its position that the current target interest rate range of 0 to 0.25% is appropriate.
- Despite the fact that job openings reached their highest level in 14 years in February, according to the Bureau of Labor Statistics, Good Friday (April 3) brought the unwelcome news that the U.S. economy added just 126,000 jobs in March, the weakest monthly gain since December 2013. Fortunately the markets were closed that day, and the news didn't have a major impact on stock performance during the following week.
- Though the Institute for Supply Management's manufacturing index still indicated expansion, growth in the U.S. manufacturing sector slowed for the fifth straight month in March. The 51.5 reading was the lowest since May 2013; falling below 50 would mean actual contraction.
- In its semiannual World Economic Outlook, the International Monetary Fund (IMF) projected global economic growth to be 3.5% in 2015, up 0.1% from 2014. The organization expects to see growth in advanced economies of 2.4% in 2015 vs. 1.8% last year, while growth in emerging markets is expected to drop to 4.3% this year from 2014's 4.6%. The "moderate and uneven" growth, as characterized by an IMF official, can be attributed to "a complex set of forces," including lower oil prices, evolving exchange rates, lower potential growth, and financial crisis legacies.
- Amid mixed economic data released throughout the month, a few areas stood out. Consumer sentiment, as measured by the University of Michigan's Index, rose to its second highest reading since 2007. Housing was another notable area, as reported by the National Association of Realtors®. Existing home sales jumped to the highest level in 18 months, while pending home sales remained at the highest level since June 2013. Finally, in its last weekly jobless claims report of the month, the Bureau of Labor Statistics announced that claims had reached the lowest level since April 2000.
- Although Greece managed to make a crucial April payment on its International Monetary Fund debt, contentious negotiations bore little fruit and questions continued to swirl around the country's ability to meet its future financial obligations. As a result, by month's end Greek Finance Minister Yanis Varoufakis was sidelined from his role coordinating the team representing Greece in the talks and a new team was handling the discussions.

## Eye on the Month Ahead

In the coming weeks, investors will likely keep a close eye on Europe to see if Greece's new negotiators are able to make any real progress. In addition, economic data will be closely monitored to see if factors that affected the economy during the winter months were indeed "transitory."

*Data sources: Economic: Based on data from U.S. Bureau of Labor Statistics (unemployment, inflation); U.S. Department of Commerce (GDP, corporate profits, retail sales, housing); S&P/Case-Shiller 20-City Composite Index (home prices); Institute for Supply Management (manufacturing/services). Performance: Based on data reported in WSJ Market Data Center (indexes); U.S. Treasury (Treasury yields); U.S. Energy Information Administration/Bloomberg.com Market Data (oil spot price, WTI Cushing, OK); www.goldprice.org (spot gold/silver); Oanda/FX Street (currency exchange rates). News items are based on reports from multiple commonly available international news sources (i.e. wire services) and are independently verified when necessary with secondary sources such as government agencies, corporate press releases, or trade organizations. All information is based on sources deemed reliable, but no warranty or guarantee is made as to its accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation for the purchase or sale of any securities, and should not be relied on as financial advice. Past performance is no guarantee of future results. All investing involves risk, including the potential loss of principal, and there can be no guarantee that any investing strategy will be successful.*

*The Dow Jones Industrial Average (DJIA) is a price-weighted index composed of 30 widely traded blue-chip U.S. common stocks. The S&P 500 is a market-cap weighted index composed of the common stocks of 500 leading companies in leading industries of the U.S. economy. The NASDAQ Composite Index is a market-value weighted index of all common stocks listed on the NASDAQ stock exchange. The Russell 2000 is a market-cap weighted index composed of 2,000 U.S. small-cap common stocks. The Global Dow is an equally weighted index of 150 widely traded blue-chip common stocks worldwide. The U.S. Dollar Index is a geometrically weighted index of the value of the U.S. dollar relative to six foreign currencies. Market indices listed are unmanaged and are not available for direct investment.*

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