
What Did the Fed Announce on Wednesday?

Weekly Update – June 22, 2015

Last week, markets shrugged off concerns about deadlocked Greek negotiations and rallied on strong economic data, sending the NASDAQ to a new historic high. For the week, the S&P 500 grew 0.76%, the Dow rose 0.64%, and the NASDAQ gained 1.30%.¹

The Federal Reserve wrapped up its June meeting on Wednesday surprising no one with the announcement that the central bank will keep rates at zero percent for a while longer. Though the Fed appears to be confident that the economy is growing modestly, officials prefer to maintain the status quo until they're more certain that rate hikes won't harm the recovery.²

We don't yet know when the Fed will begin raising interest rates, but a number of respondents to a recent survey are betting on a third-quarter rate hike.³ Are rate expectations already baked into stock and bond markets? It's hard to know for certain, but the Fed has been doing a good job of laying the groundwork for future rate moves, so we can hope that markets won't overreact when rates start to go up.

Negotiations between Greece and its European lenders broke down again Thursday, weighing on European stocks. Greece is trying to negotiate a new round of credit from European lenders that would allow it to make scheduled debt repayments by the end of June. Negotiators have not been able to reach a deal that would satisfy creditors' need for budget cuts and pension reform. Though Thursday's meeting was billed as a last-chance effort to break the deadlock, some time remains before Greece formally falls into default.⁴ How will the game of chicken end? We don't know.

Looking ahead, European and Greek leaders will hold an emergency summit on Monday to attempt to resolve the bailout gridlock. Panicked about what would happen if Greece defaults on its debt payments and leaves the Eurozone, depositors have been withdrawing cash from Greek banks, leaving some insiders speculating that Greek banks may not be able to reopen next week. If negotiators are unable to reach a compromise before the end of the month, we can expect the breakdown to cause markets to turn volatile. We'll keep you updated as necessary.

ECONOMIC CALENDAR:

Monday: Existing Home Sales

Tuesday: Durable Goods Orders, PMI Manufacturing Index Flash, New Home Sales

Wednesday: GDP, EIA Petroleum Status Report

Thursday: Jobless Claims, Personal Income and Outlays

Friday: Consumer Sentiment

Data as of 6/19/2015	1-Week	Since 1/1/15	1-Year	5-Year	10-Year
Standard & Poor's 500	0.76%	2.48%	7.68%	17.76%	7.34%
DOW	0.64%	1.07%	6.46%	14.47%	6.96%
NASDAQ	1.30%	8.04%	17.38%	24.31%	14.48%
U.S. Corporate Bond Index	-0.16%	-2.76%	-1.61%	1.47%	0.91%
International	-0.41	6.09%	-5.51%	5.82%	2.37%
Data as 6/19/2015					
Treasury Yields (CMT)	0.00%	0.11%	0.28%	1.71%	2.36%

Notes: All index returns exclude reinvested dividends, and the 5-year and 10-year returns are annualized. Sources: Yahoo! Finance and Treasury.gov. International performance is represented by the MSCI EAFE Index. Corporate bond performance is represented by the DJCBP. Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly.

HEADLINES:

Housing starts fall in May. Groundbreaking on new houses fell last month, but a surge in permits for new construction suggests that the pause may be temporary and that the housing sector will see strong growth this season.⁵

Jobless claims fall more than expected. The number of Americans filing new claims for unemployment benefits fell more than expected, remaining below the key 300,000 level for the 15th week in a row.⁶

Inflation sees biggest gain in two years. Consumer prices jumped in May by the largest amount since 2013. The data indicates that price drops relating to gasoline savings may be over and that inflation is returning to trend.⁷

Apartment rentals reach historic high. Occupancy rates in apartments reached 95.3% in May, the highest level on record, as Americans of all ages move into rental housing in droves.⁸

QUOTE OF THE WEEK



“The two powers which in my opinion constitute a wise man are those of bearing and forbearing.”

– Epictetus

RECIPE OF THE WEEK



Fresh Blueberry Cobbler



Make the most of fresh blueberries when they're in season.

Serves 6

Ingredients:

2 pints fresh or frozen blueberries
1/3 cup plus 1/4 cup granulated sugar
1 1/2 cups plus 1 tablespoon all-purpose flour
2 teaspoons baking powder
1/4 teaspoon kosher salt
1 teaspoon grated lemon zest
6 tablespoons cold unsalted butter, cut into pieces
2 cups heavy whipping cream, cold
1 teaspoon vanilla extract

Directions:

1. Preheat your oven to 375° F.
2. Toss the blueberries with 1/3 cup of sugar and 1 tablespoon of flour and pour them into a skillet or pie dish.
3. In a medium bowl, combine the rest of the flour and sugar with the baking powder, salt, and lemon zest.
4. Using a pastry cutter or two knives, add the butter and mix until coarse crumbs form. Do not allow the butter to melt. Add 3/4 cup of the cream and mix until a loose dough forms.
5. Form balls of dough and drop them over the blueberry mixture.
6. Bake the cobbler for about 35 or 40 minutes until the top is golden and the berries are bubbling.
7. Meanwhile, add the vanilla extract to the remaining cream and beat with a hand mixer or whisk until it forms soft peaks.
8. Serve the cobbler topped with the fresh whipped cream.

Recipe adapted from Sara Quessenberry | RealSimple.com⁹



Searching For A Job? You Can Deduct Certain Expenses

The job market is heating up and many people are looking for new work this summer. If you're on the lookout for a new job, here are some tips on deducting your job search expenses:

- You can only deduct expenses for a job search relating to your current occupation. Unfortunately, you cannot deduct job search expenses if there is a "substantial break" between your last job and your job search or if you are looking for your first job.
- You cannot deduct expenses that are reimbursed by an employer or other party.
- You can deduct fees paid to employment and job placement agencies and the costs relating to preparing and mailing your résumé to prospective employers, including professional proofing and editing.
- If you travel to an interview or other search-related activity, you can deduct those expenses, but only if the primary purpose of the trip is to look for work.
- Job search expenses will usually be claimed as a miscellaneous item deduction, and you can only deduct the portion of miscellaneous deductions that exceed 2% of your adjusted gross income.

Tip courtesy of IRS.gov¹⁰



Don't Pick Up Your Head

A common reason for missing putts – even the easy ones – is picking your head up too early to watch the ball drop into the cup. It's normal to be anxious about where the ball is going, but shifting your head just after the stroke can cause you to open or close the blade of your putter, sending the ball off course.

If you find yourself moving your head too soon, try forcing yourself to remain in position and listen for the rattle of the ball instead. Don't move your head until you hear the ball.

Tip courtesy of Wally Armstrong | Golf Tips Mag¹¹



Nuts Make Great Snacks

Nuts are nutritional powerhouses that have many health benefits. Though they can be high in fat, these high-calorie foods make great additions to your pantry.

- Walnuts are full of heart-healthy omega-3 fatty acids and have been linked to lower risk of cardiovascular disease.
- Almonds and cashews are great for strong bones because of their high calcium and magnesium content.
- Peanuts are high in protein and fiber and can help curb hunger pangs.
- Any mixture of nuts in your diet is associated with improvements in mental cognition as you age.

Tip courtesy of AARP¹²



Make Your Own Tile Cleaner

Most commercial tile and grout cleaners are full of harsh chemicals like formaldehyde, toluene, and benzene that can linger in the air or pollute local waterways. Next time you need to give your tiles a scrub, try making a simple two-ingredient paste that's safer for your home and the environment.

1. Pour 1/2 cup of baking soda in a bowl.
2. Add a liquid soap like Dr. Bronner's or any eco-friendly soap until a paste forms.

Dip a sponge into the paste and scrub your tiles as you usually would, then rinse with water.

Tip courtesy of Prevention¹³

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*Please share this market update with family, friends, or colleagues.
We love being introduced!*

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Diversification does not guarantee profit nor is it guaranteed to protect assets

The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general.

The Dow Jones Industrial Average is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the NASDAQ. The DJIA was invented by Charles Dow back in 1896.

The Nasdaq Composite is an index of the common stocks and similar securities listed on the NASDAQ stock market and is considered a broad indicator of the performance of stocks of technology companies and growth companies.

The MSCI EAFE Index was created by Morgan Stanley Capital International (MSCI) that serves as a benchmark of the performance in major international equity markets as represented by 21 major MSCI indexes from Europe, Australia and Southeast Asia.

The Dow Jones Corporate Bond Index is a 96-bond index designed to represent the market performance, on a total-return basis, of investment-grade bonds issued by leading U.S. companies. Bonds are equally weighted by maturity cell, industry sector, and the overall index.

The S&P/Case-Shiller Home Price Indices are the leading measures of U.S. residential real estate prices, tracking changes in the value of residential real estate. The index is made up of measures of real estate prices in 20 cities and weighted to produce 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.

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¹<https://www.google.com/finance?chdnp=1&chfdeh=0&chdet=1434757045361&chddm=1955&cmpto=INDEXDJX:.DJI;INDEXSP:.INX;INDEXNASDAQ:.IXIC&cmptdms=0;0;0&q=INDEXDJX:.DJI,INDEXSP:.INX,INDEXNASDAQ:.IXIC&ntsp=0&ei=j6aEVfmwNs6x2Aa8u4DYDA>

² <http://www.cnn.com/id/102766785>

³ <http://www.cnn.com/id/102759995>

⁴ <http://www.cnn.com/id/102770738>

⁵ <http://www.foxbusiness.com/economy-policy/2015/06/16/housing-starts-pause-after-gains-permits-soar/>

⁶ <http://www.foxbusiness.com/economy-policy/2015/06/18/weekly-jobless-claims-fall-more-than-expected/>

⁷ <http://www.foxbusiness.com/economy-policy/2015/06/18/consumer-inflation-sees-biggest-gain-in-more-than-two-years/>

⁸ <http://www.cnn.com/id/102770312>

⁹ <http://www.realsimple.com/food-recipes/browse-all-recipes/blueberry-cobbler>

¹⁰ <http://www.irs.gov/uac/Newsroom/Job-Search-Expenses-May-Lower-Your-Taxes>

¹¹ https://www.youtube.com/watch?list=UUPLAYER_GolfTipsMag&v=uUur2emEkQ

¹² <http://www.aarp.org/health/healthy-living/info-2015/nuts-for-health-photo.html#slide9>

¹³ <http://www.prevention.com/health/healthy-living/70-easy-ways-green-your-life/try-3-ingredient-tile-cleaner>