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| **RESOURCE LOG – MARCH 2016** | | | | |
| **Article Title** | **Detail** | **Publication** | **Date** | **Author** |
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| What’s News | ♦ The Dow slid 123.47 points to 16516.50, leaving the industrial average up 0.3% for February. | The Wall Street Journal | 03/01/2016 |  |
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| Japan Issues Bonds At Negative Yields | Japan, the world’s most heavily indebted nation, is getting paid to borrow.  The Japanese government on Tuesday for the first time issued benchmark 1-year bonds with negative yields, meaning it is effectively charging investors for lending it money.  That is the result of the topsy-turvy world of negative interest rates, which Japan entered earlier this year, when the country’s central bank began to charge lenders for holding some of their deposits, instead of paying them interest. The pushed government bond yields below zero, first in shorter maturities, then in longer-term debt.  Japan isn’t the first country to go to negative interest rates on its debt. Governments including Finland and Italy have issued bonds with negative yields over the past year,…. | The Wall Street Journal | 03/02/2016 | Anjani Trivedi & Kosaku Narioka |
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| What’s News | ♦ U.S. stocks surged on positive economic signs, let by financial and tech shares. The Dow jumped 348.58 points to 16865.08 | The Wall Street Journal | 03/02/2016 |  |
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| Washington Battles Over Munis | At issue are new rules aimed at ensuring banks can raise enough cash during a financial-market meltdown to fund their operations for 30 days. The requirements mean banks have to hold more cash or securities that are easily sellable.  The Federal Reserve and two other bank regulators decided debt issued by states and localities didn’t make the cut, when they crafter the rules in 2014. | The Wall Street Journal | 03/03/2016 | Andrew Ackerman |
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| Bets Rising On an Uptick In Inflation  *Demand for TIPS has perked up even as the outlook for prices remains uncertain* | The inflation trade is back on Wall Street, thanks to a recent upturn in U.S. economic data and warming investor sentiment.  The 10-year inflation breakeven rate, measuring the yield premium on the 10-year U.S. Treasury note over the comparable Treasury inflation-protected security, rose to 1.55% Thursday. That is the highest in nearly two months, reflecting strong demand for TIPS.  The uptick in TIPS is reviving a perennial market debate since the financial crisis: Will inflation finally pick up after years of low readings, pushing long-term interest rates higher and paving the way to a more normal economy?  …many say the U.S. economy clearly has momentum, raising opportunities to purchase securities that appear cheap, including TIPS. | The Wall Street Journal | 03/04/2016 | Min Zeng |
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| Emerging Markets Don Rally Cap | Emerging markets, which last year slumped, have rallied in recent weeks, amid a rebound in commodity prices and increasing confidence the U.S. central bank won’t soon raise interest rates.  Stocks in emerging markets are up 12% since late January, according to the MSCI Emerging Markets Index, erasing most of the declines they sustained during a selloff at the start of the year. | The Wall Street Journal | 03/04/16 | Ira Iosebashvili & Carolyn Cui |
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| Oil Prices Jump as Number of Rigs Falls  *Gauge of activity in crude industry drops to lowest since 2009; ‘inching….back to $40’* | U.S. oil prices rose for a third consecutive week as drilling continued to decline.  The number of rigs drilling for crude in the U.S., which is viewed as a rough proxy for activity in the oil industry, dropped by eight in the past week to 392, the lowest level since 2009, oil-field-services company Baker Hughes Inc. said Friday.  The combined number of oil and natural-gas rigs fell by 13 to 489, just above the record low of 488 rigs in 1999,…. | The Wall Street Journal | 03/5-6/2016 | Nicole Friedman |
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| Commodities Rally Isn’t Built to Last | It now is clear that U.S. markets, in their swift early-2016 downdraft, were too worried about the risks of a recession. Friday’s jobs number helped put most lingering doubts to rest.  Now, the opposite question is on the table. Are the markets, especially recently buoyant commodities and emerging markets, correctly predicting a global economic rebound that would undo the damage from last year?  …trade data say these markets are wrong and that the global economy is weak at best. The U.S. trade deficit grew 2.2% on the back of lower imports and exports, with shipments declining for nearly everything except for cars.  Where markets in the U.S. priced in a doomsday scenario earlier this year, commodities and emerging-markets stocks appear to be ignoring the weak trade figures. Emerging-market stocks are up 12% since late January and oil has jumped by a third, albeit after big selloffs.  The weak trade figures show that countries won’t be able to export their way out of the slowdown, and instead will need to generate growth at home. | The Wall Street Journal | 03/5-6/2016 | Ken Brown |
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| ECB Rates Have Markets on Edge  *As the central bank goes further into negative territory, more volatility is likely* | The European Central Bank is expected on Thursday to push a key interest rate even further into negative territory, a move that is at once widely anticipated by markets and viewed with trepidation.  Analysts and investors say the ECB’s action likely will drive down government-bond yields, further reducing borrowing costs that are already near record lows in many nations. Stocks and many commodities may extend a rebound from a selloff early this year that was driving by worries over the global economic outlook. The Dow Jones Industrial Average on Friday climbed above 17000 for the first time in two months.  Yet many investors warn that trading will likely be volatile and that markets could be roiled if the ECB provides less stimulus than expected. | The Wall Street Journal | 03/07/20106 | Christopher Whittall and Min Zeng |
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| China’s Economy On Bubble Watch | China’s leaders made clear they are emphasizing growth over restructuring this year, but suggested they are trying to avoid inflating debt or asset bubbles a they send massive amounts of money coursing through the economy.  The government’s announcement of a 6.5% to 7% growth target for 2016 at the start of the National People’s Congress over the weekend….. | The Wall Street Journal | 03/07/2016 | Mark Magnier & Lingling Wei |
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| What’s News | U.S. stocks tiptoed to their longest rally since October as oil prices jumped 5.5%. The Dow ended 67.18 points higher at 17073.95. | The Wall Street Journal | 03/08/2016 |  |
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| Junk-Bond Rebound Signals Easing Fear | The riskiest part of the U.S. corporate-bond market is staging a comeback, marking an upswing in investor confidence following a turbulent start to the year.  Returns on junk bonds, debt issued by heavily indebted companies that carry low credit ratings, turned positive for 2016 this month, reversing a sharp selloff at the beginning of the year.  The revival is noteworthy because the junk-bond market is widely watched for clues about the state of the U.S. economy.  The Junk-bond surge is among the most convincing signs that the recession fears that rattled markets earlier this year have faded. | The Wall Street Journal | 03/08/2016 | Mike Cherney & Sam Goldfarb |
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| U.S Rejects Global Economic Star Turn | The World Bank estimates the U.S. accounted for almost 23% of global growth last year, its highest contribution since 2003. This year, the U.S. is expected to contribute a still-strong 21% with faster growth than many advanced nations. The International Monetary Fund predicts the U.S. will grow a respectable 2.6% this year and next, though private-sector economists see a slightly slower expansion.  Only about one-eighth of U.S. output comes from exports; consumer spending still accounts for more than two-thirds of U.S. gross domestic product.  “The longer the drag from global growth remains in place,: said Gregory Daco, head of U.S. macroeconomics at Oxford Economics, “the more likelihood there is for a U.S. slowdown that would have secondary impacts on the rest of the world”. | The Wall Street Journal | 03/08/2016 | David Harrison |
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| Deflation Tests Limits of ECB Power | The European Central Bank faces a tough challenge at its policy meeting this week: how to combat persistently low inflation without undermining the region’s fragile banks.  The ECB has missed its inflation target near 2% for three straight years, leading some investors to question the power of its policies.  Complicating the situation is recent turmoil in banking stocks, which could be exacerbated if the ECB cuts interest rates much further below zero. Subzero rates act as a tax on banks because they can’t easily pass on the costs to customers.  Eurozone consumer prices fell by 0.2% in February from a year earlier, the first subzero reading since September, the European Union’s statistics agency said last week. Crucially, underlying inflation also fell to a 10-month low of 0.7%, indicating that lower oil prices may be feeding through to wages and other prices.  There are clear signs of demand and credit growth weakening again in the euro area, which requires fresh action by the ECB to prevent inflation from falling further, said Holger Schmieding, chief economist to Berenberg Bank in London. | The Wall Street Journal | 03/09/2016 | Tom Fairless |
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| Free Trade Loses Political Favor  *Republican backing fades as voters voice surprising skepticism; Pacific pact seen at risk* | After decades in which successive Republican and Democratic presidents have pushed to open U.S. and global markets, resentment toward free trade now appears to have the upper hand in both parties, making passage this year of a sweeping Pacific trade deal far less likely and clouding the longer-term outlook for international economic exchange.  Many Democrats have long blamed free-trade deals for big job losses and depressed wages, especially in the industrialized Midwest. | The Wall Street Journal | 03/10/2016 | Bob Davis |
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| What’s News | ♦ U.S. households ended 2015 with home equity at the highest level in a decade and record net worth. | The Wall Street Journal | 03/11/2016 |  |
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| Markets Brush Off Europe Stimulus | The European Central Bank fired off a salvo of measures aimed at bolstering the eurozone’s fragile economy but markets brushed off the efforts, raising questions about whether it and other central banks still have the tools to bolster weakening growth and inflation after years of easy-money policies.  Japan’s central bank stunned markets in January by setting the country’s first negative interest rates in an attempt to jolt the economy away from deflation. | The Wall Street Journal | 03/11/2016 | Tom Fairless |
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| In ECB Moves, Corporate Bonds Score Big  *Credit markets soar after ECB says it will start buying debt from companies* | On a day of wild market gyrations, there was one clear winner from a new round of European Central Bank policy announcements: European corporate bonds.  Credit markets in Europe soared after ECB surprised investors by saying it would begin buying investment-grade corporate debt under its huge bond-buying program.  The rally in corporate debt contrasted with volatile trading in stocks, currencies and government bonds.  Dipping into corporate debt could create problems for the ECB, which already has to tread carefully when buying government bonds so as not to be seen favoring individual countries. | The Wall Street Journal | 03/11/2016 | Christopher Whittall |
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| Japan Caught in Negative Rate Trap | But the BOJ’s latest move – negative interest rates – has created a backlash in Japan,…  The BOJ said in late January that it would start charging commercial banks 0.1% interest on some reserves. It began doing so last month. This pushed borrowing costs lower as intended, but also created widespread confusion about the BOJ’s intentions and the effects on the nation’s savers.  Inflation, adjusted for fresh food prices, returned to zero in January. A price measure excluding fresh food and energy softened that month for the first time in a year.  Many economists say it is only a matter of time before the BOJ does take additional action, either by pushing negative interest rates even lower, or adding to its asset-purchase program, or both. | The Wall Street Journal | 03/11/2016 | Takashi Nakamichi |
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| Stocks Gain For Fourth Week in Row  *Upbeat economic readings, higher oil prices help calm investors worried about a recession* | A broad rally led by energy and financial shares on Friday carried U.S. indexes to their fourth consecutive week of gains, their longest winning streak in more than four months, as investors took heart in signs of improvement in the U.S. economy. Friday’s rally nearly erased the Dow industrials’ losses for the year, as upbeat U.S. economic readings over the past month have helped soothe investors’ concerns that the country could be headed toward a recession.  Worries about the global oil glut have eased, driving up prices of crude and boosting shares of energy companies, which have been one of the market’s trouble spots. | The Wall Street Journal | 03/12-13/2016 | Leslie Josephs and Riva Gold |
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| On Bond Investors’ Radar: Rate Hikes | After having convinced themselves as recently as a month ago that there was no chance the Federal Reserve would raise interest rates this year, traders are signaling that at least one is likely before the end of December – putting another possible source of volatility back on the agenda.  The shift has been driven by a string of solid data on the U.S. economy that has eased concerns that the collapse in oil prices and weak growth overseas could tip the country into a recession. | The Wall Street Journal | 03/14/2016 | Min Zeng |
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| Oil Price Rise Could Be Its Own Undoing | The slide in oil prices has paused after crude fell more than 70% from its 2014 peak.  U.S. oil prices are up more than 45% from a 13-year low in February,…  …the market’s increasingly bullish mood, pushing U.S. oil prices up 107% to $38.50 a barrel.  But this rally could lead to its own demise, many analysts warn. Higher prices will likely encourage shale producers to ramp up output again,… | The Wall Street Journal | 03/14/2016 | Nicole Friedman and Ira Iosebashvili |
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| What’s News | ♦ Industrial output in the Eurozone rose 2.1% in January from December, its best performance since 2009. | The Wall Street Journal | 03/15/2016 |  |
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| Fed Dials Back Pace of Rate Hikes | Federal Reserve officials dimmed their view of the economy and said they likely won’t raise interest rates as swiftly as they had previously anticipated,…  Policy makers left short-term interest rates steady and said they expect to raise their benchmark rate just twice this year, after an initial increase in December, down from the four they previously predicted.  “Caution is appropriate”, Fed Chairwoman Janet Yellen said… | The Wall Street Journal | 03/17/2016 | Harriet Torry and Jon Hilsenrath |
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| What’s News | Stocks gained and the dollar and Treasury yields fell after the policy statement. The Dow rose 74.23 to 17325.76, its high for the year. | The Wall Street Journal | 03/17/2016 |  |
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| What’s News | ♦ The Dow industrials turned positive for the year, rising 155.73 points to 17481.49, and U.S. oil settled above $40 a barrel. | The Wall Street Journal | 03/18/2016 |  |
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| Global Currencies Soar, Defying Central Bankers | Efforts by many of the world’s central banks to weaken their currencies are failing, raising concerns about whether policy makers are losing the ability to wield control over financial markets.  This was the case again in Japan on Thursday, when the dollar fell 1.1% against the yen, to ¥111.39.  Despite the Bank of Japan’s efforts to push down its currency and jump-start the economy with negative interest rates, the yen is up 8% this year and is at its strongest level against the dollar since October 2014. European central bankers are having similar problems…  These difficulties are a reminder that the long stretch of exceptionally low rates in response to the 2008 financial crisis has created market distortions that may be difficult for central bankers to contain. | The Wall Street Journal | 03/18/2016 | Min Zing and Ira Iosebrashvili |
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| Dow Industrials Turn Positive for 2016  *Recession fears ease as commodity prices stabilize, U.S. economy starts to perk up* | Three and a half months into the new year, the Dow Jones Industrial Average is finally in the black.  A gain of nearly 156 points left the benchmark stock average in positive territory for the first time in 2016, a hard-fought recovery from concerns about a Chinese devaluation, a souring environment for banks and a possible U.S. recession.  Those fears have been pushed into the background by a drumbeat of solid if unspectacular U.S. economic data and a sharp recovery in the price of crude oi.  U.S. crude-oil futures rose 4.5% to $40.20 a barrel – the highest settlement since Dec. 3 – as the dollar weakened and major oil producers suggested an increasing willingness to freeze output.  Emerging-markets stocks, measured by the NSCI Emerging Markets index, are up 15%, and U.S. junk bonds, tracked by the Merrill Lynch U.S. High Yield Master II index, are up 7.9%. | The Wall Street Journal | 03/18/2016 | Aaron Kuriloff |
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| What’s News | ♦ The S&P 500 erased its losses for the year as major stock indexes notched gains for the fifth straight week. The Dow industrials were up 2.3% for the week, closing at 17602.30. | The Wall Street Journal | 03/19-20/2016 |  |
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| Stock Rally Rewards Big Bets | U.S. stocks extended their strong run Friday, with a 121-point gain by the Dow Jones Industrial Average…..  The advance marked a fifth straight week of gains and provided further evidence of the changed mood in markets. As recently as early February, the Dow was down 10% for the year and oil was down 29%.  But the bleak and confounding start to the year has given way to a more hopeful outlook, supported by a string of solid readings on U.S. growth that have pushed back concerns of a recession. The Dow gained nearly 400 points this past week, and oil is up 6% for 2016.  It was a deeply contrarian decision. Markets had opened the year in a panic about weakening growth in China, the Federal Reserve’s decision to raise interest rates and a sharp drop in oil priced that took them below $30 a barrel. Those developments kicked off a brutal rout across all markets at the beginning of the year, but emerging markets were hit particularly hard. | The Wall Street Journal | 03/19-20/2016 | Gregory Zuckerman, Serena Ng and Colin Barr |
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| S&P 500 Joins Dow in the Green | The Dow and the S&P 500 have risen roughly 12% from their lows on Feb. 11, as oil prices recovered and economic data showing that the U.S. continues to expand helped calm fears of a recession.  While stocks in Europe and Asia also have bounced in recent weeks, several indexes remain sharply lower for the year. China’s Shanghai composite has tumbled nearly 17%, and Germany’s DAX has fallen 7.4% in 2016.  Friday’s move higher in the U.S. was driven by some of this year’s laggards, such as health-care and financial stocks. Those sectors have fallen the furthest in the year to date. | The Wall Street Journal | 03/19-20/2016 | Saumya Vaishampayan |
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|  | **Last Week:**  **DJIA** 17602.30 (+388.99 points; 2.3%)  **NASDAQ** 4795.65 (+1.0%)  **STOXX 600** 341.71 (-0.2%)  **10-YR. Treas.** +30/32, yield 1.81%  **Oil** $39.44 (+$0.94) | The Wall Street Journal | 03/21/2016 |  |
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| Fed Gives Inflation A Hall Pass | Rising inflation expectations reflect not just an easing of global tensions, but a continued firming in inflation data. The Labor Department last week said its core inflation measure, which excludes food and energy prices, was 2.3% higher than a year earlier in February. That suggests the core of the Fed’s preferred inflation measure rose 1.7%, calculate UBS economists, matching January’s four-year high.  Yet the Fed, after its meeting last week, struck a dovish stance. Policy makers now project just two quarter-point rate increases in 2016. In December, they projected four. The change reflects heightened sensitivity to the weakness overseas and fragile global markets. | The Wall Street Journal | 03/22/2016 | Justin Lahart |
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| Stocks Stumble For Second Day; Price of Oil Slips | U.S. stocks sputtered, further crimping a rally that had carried major indexes to their highest levels since December.  The size of daily swings has diminished in recent sessions. The S&P 500 moved less than 1% for the eighth session in a row Wednesday, its longest such streak since August.  …the Dow Jones Industrial Average lost 79.98 points, or 0.5% to 17502.59. The S&P 500 fell 13.09, or 0.6%, to 2036.71 – dropping back into negative territory for the year – and the Nasdaq Composite lost 52.80, or 1.1%, to 4768.86.  Even with the two-day pull-back, the Dow industrials and S&P 500 have advanced more than 11% since their 2016 lows on Feb. 11.  U.S. crude oil tumbled 4% to $39.79 a barrel…  The dollar continued to gain against the euro and yen,…  Recent upbeat comments on the U.S. economy from Federal Reserve officials lifted the greenback,…  The yield on the 10-year Treasury note fell to 1.873%, from 1.935% on Tuesday, as prices rose. Gold fell 2% to $1,223.70 an ounce. | The Wall Street Journal | 03/24/2016 | Saumya Vaishampayan |
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| Gas Industry Faces Glut, Painful Spring | U.S. natural-gas production hit its highest level ever over the winter in the face of low prices, a conundrum at the heart of one of the year’s worst-suffering markets.  The output surge has the gas market in a sorry state headed into spring, when demand typically weakens and stockpiles swell.  Gas prices have been falling this year even as oil prices have rebounded.  Natural-gas futures…are down roughly 40% since last May when they narrowly topped $3 and about 23% this year. | The Wall Street Journal | 03/25/2016 | Ryan Dezember and Timothy Puko |
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| Strange Signal From Markets: Stagflation? | Central banks may be worrying about the lack of inflation, but some investors are fretting that the U.S. is heading for the wrong type of inflation-lite.  The S&P 500 may be up slightly this year, but at a sector level the story is mixed, at best. The U.S. economy has been driven by the consumer for the past five years, and the message from consumer stocks is that caution reigns. | The Wall Street Journal | 03/25/2016 | James Mackintosh |
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| What’s News | ♦ U.S. GDP advanced at a 1.4% annual rate in the fourth quarter, in an upward revision of earlier data, while corporate profits fell during the period. | The Wall Street Journal | 03/26-27/2016 |  |
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| Upbeat Economic Data Push the Dollar Higher | The dollar edged up in quiet trading, marking its sixth consecutive session of gains, as a better-than-expected reading on economic growth added to expectations for an interest-rate increase in coming months.  The dollar rose 0.2% Friday to ¥113.09 and less than 0.1% to €1.1168.  The greenback has rebounded from last week’s sharp selloff after the Federal Reserve took a surprisingly cautious tone on the economy at its latest policy meeting.  On Friday, a strong gross-domestic-product reading added to evidence that the domestic economy is stable and growing. | The Wall Street Journal | 03/26-27/2016 | Chelsey Dulaney |
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| Profit Squeeze May Pinch Stocks | The squeeze is on for corporate profit margins, and it doesn’t look as if it is going to end soon. That doesn’t bode well for stocks.  The Commerce Department on Friday released fourth-quarter U.S. corporate-profits figures. Overall, after-tax profits were 15% below year-earlier levels.  Some of the decline in this measure of margins reflects the steep losses that energy firms have experienced. But not all of it.  The labor market continues to tighten. In a sign of more competition for workers, people have been more willing to quit. So employees are going to have more bargaining power, and companies may have to pay up.  This wouldn’t be such a problem if productivity was increasing quickly. It isn’t: The average worker’s output per hour was up just 0.5% in the fourth quarter from a year ago,… | The Wall Street Journal | 03/26-27/2016 | Justin Lahart |
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| Strong Stock Headwinds Persist Despite Rebound  *“It will be difficult for stocks to climb considerably higher and hard to surpass the old record highs.”*  *Michael Arone, Chief Investment Strategist at State Street Global Advisors* | Sluggish corporate profit growth will be another negative story line for stocks, as many U.S. companies continue to struggle to book sales and make money in a world dogged by slow economic growth. The fact that stock market valuations currently are pricier than long-term historical norms also is likely to give investors pause.  Other sources of market uncertainty include the unpredictable U.S. presidential election, the re-emergence of terrorism as front-page news, a still-wobbly commodities complex and the possibility of the U.S. dollar gaining strength again and hurting sales of U.S. multinationals.  Yet another negative is concern that the world’s central banks are out of ammunition and will have difficulty boosting growth despite ongoing stimulus policies. | USA Today | 03/28/2016 | Adam Shell |
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| Oil Firms Slow Exploration To Weather Low-Price Era | These days, with ultralow oil prices, “it becomes less important” to replenish stockpiles, said Luca Bertelli, chief exploration officer at Italian oil producer Eni SpA.  Historically, energy companies spent heavily in the present to find resources for the future – new wells that would replace the barrels they pump every day.  The current oil glut has forced companies to cut spending wherever they can. So they have pulled back on exploratory drilling and spending on new projects.  Despite lower reserves, big oil companies aren’t about to run out of crude. Exxon, for instance, retains enough reserves to last 16 years at the current rate of production.  Companies’ reserve volumes are facing other potential threats beyond low oil prices. Some investors have expressed concern recently that legislation to curb global warming – such as taxing carbon emissions – could make some oil reserves impossible to pump profitably. | The Wall Street Journal | 03/28/2016 | Sarah Kent |
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| Markets’ Message: Don’t Believe Rally | Amid the epic recovery in risky assets since mid-February, one thing has been missing: an equivalent selloff of the havens to which investors rushed during the earlier panic.  Sone of the highest-risk assets chalked up spectacular gains during the recovery. The J.P. Morgan Emerging Markets Currency Index rose 8%, a gain matched in such a short time only once since the index was created in 2000. U.S. junk bonds leaped 8% in price, the biggest jump in the Bank of America Merrill Lynch benchmark over such a short period since the summer of 2009, when the country was just emerging from recession.  U.S. shares didn’t miss out. From its February low, the S&P 500 recorded its biggest gain over an equivalent period since late 2011, rising more than 12% by the middle of last week; it still is up 11%.  Commodity prices, which started to rebound a couple of weeks earlier, have had their biggest rise overran equivalent period since late 2010. | The Wall Street Journal | 03/29/2016 | James Mackintosh |
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| What’s News | ♦ Yellen said global economic and financial uncertainty justifies a slower path for U.S. rate increases. | The Wall Street Journal | 03/30/2016 |  |
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| What’s News | ♦ The Dow industrials rose 97.72 points to 17633.11, a 2016 high, on the Fed chief’s remarks. | The Wall Street Journal | 03/30/2016 |  |
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| Oil Sinks as New Supply Emerges | Oil prices sank to a two-week low Tuesday on renewed concerns that the global market remains too awash in crude to support prices near $40 a barrel.  Oil is down 7.6% from its recent peak on March 22.  Kuwait provided the latest blow when the acting oil minister said that production could restart in the Khafji oil field. | The Wall Street Journal | 03/30/2016 | Nicole Friedman |
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| Dow, S&P 500 at Highs for the Year | U.S. stocks and government bonds rose while the dollar fell after the Federal Reserve chair-woman said global economic uncertainty warranted a cautious approach to raising interest rates.  The Dow Jones Industrial Average and the S&P 500 closed at their highest levels of the year, and the S&P 500 returned to positive territory for 2016, up 0.5%.  The Dow rose 97.72 points, or 0.6%, to 17633.11, … The S&P 500 climbed 17.96, of 0.9% to 2055.01 and the Nasdaq Composite rose 79.84, or 1.7%, to 4846.62.  U.S. government bonds strengthened, pushing yields to their lowest level in a month. The yield on the 1-year Treasury note fell to 1.814%, from 1.870% Monday.  The yield on the two-year note, which is highly sensitive to expected changes in interest rates, also reached its lowest in a month. The yield fell to 0.796%, from 0.869% Monday.  Gold futures rose 1.3% to $1,235.60 an ounce. | The Wall Street Journal | 03/30/2016 | Aaron Kuriloff and Min Zeng |
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| What’s News | ♦ The Dow rose 83.55 points to 17716.66 as tech shares led U.S. stocks higher. | The Wall Street Journal | 03/31/2016 |  |
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| Health Labor Markets Are at Odds With Global Gloom | Gloom hangs over the global economy. The International Monetary Fund is preparing to downgrade projected growth – again. The “fragile” recovery requires “urgent action,” Christine Lagarde, the IMH’s chief, warned recently.  If unemployment is a better indicator of global economic health than gross domestic product, then the current obsession with monetary and fiscal stimulus is misplaced. Growth is being held back not so much by a lack of demand, but by stunted potential due to aging populations and weak productivity.  The bad news is that if such lackluster growth is enough to reduce slack, then potential growth must be truly abysmal. There are two causes for this. First, as societies age, growth in the working0age population in both rich and emerging economies has slowed.  Second, growth in output per worker – productivity, that is – has collapsed. Bus productivity growth is zero in developed economies and negative in emerging countries.  Raising global growth will require fixing productivity, and that’s a tougher task than simply opening the monetary and fiscal taps. | The Wall Street Journal | 03/31/2016 | Greg Ip |
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| History Repeats for Markets | Will past be prologue? Both the S&P 500 and 10-year yield finished 2015 roughly unchanged from year-earlier levels.  Of the S&P 500’s 20 top-performing stocks this year, all but one of them finished 2015 in the red.  One striking difference between this year and last offers more hope for the bulls” The S&P 500 fell more than 10% at this year’s nadir before gaining it all back. | The Wall Street Journal | 03/31/2016 | Steven Russolillo |

“Our greatest glory is not in never failing, but in rising up every time we fail.” Ralph Waldo Emerson

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