



**Majerko Investment Management**

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## **2015 Second Quarter Market Commentary** **For the Clients of Majerko Investment Management**

For the second quarter in a row, it was basically a flat market (S&P 500). For the period of 4/1/2015- 6/30/2015, the S&P 500 was approximately down -0.23% on a price basis and up +0.28% on a total return basis (Includes reinvested dividends). Therefore, for the first half of the year, the S&P was up +0.20% on a price basis and up +1.23% on a total return basis. We all have been waiting for that correction in the market that hasn't materialized yet. Maybe we will just have a period where the market bounces along in a trading range for awhile. That in my opinion would accomplish that same thing as a correction, giving the market a pause to refresh after a long uptrend since the financial crisis of 2008-2009.

The market seems to be fairly valued to me right now, and as I have always said and believed, earnings is what drives stock market prices higher. I think we will need to break out of this below trend 2-2.5% GDP (Gross Domestic Product) to see stock prices move substantially higher. The good news is I think that can happen. Oil prices have stayed low relative to a year ago and I think it can be sustainable with the fracking revolution going on in our country. This will put more money in consumers' pockets, as consumption is about 70% of our economy. If we can just bump our GDP growth up above 3% on a sustainable basis, I believe we can grow corporate earnings quite nicely, which should help increase stock prices.

As you know, we at Majerko Investment Management have our opinions but maintain a disciplined investment approach to help our clients pursue their financial goals. I continue to believe long-term investors should receive solid returns in the future.

As always, we will be contacting our clients should changes need to be made. Feel free to call us with any questions or concerns. We appreciate your loyalty and trust.

### **Your referrals are appreciated!**

It is important to keep in mind that no one can predict the future and no strategy can assure success or protect against loss.

International and emerging market investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors.

Stock investing involves risk including loss of principal

\*The opinions voiced in this material are for general information only and are not intended to provide specific advice for any individual.

\*S-P 500 is an unmanaged index which cannot be invested into directly. Past performance is not a guarantee of future results. Market data sources: Factset, JP Morgan

The economic forecasts set forth may not develop as predicted and there can be no guarantee that strategies promoted will be successful