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2016 First Quarter Market Commentary **for the Clients of Majerko Investment Management**

It has certainly been an interesting quarter. The market (S&P 500) started off the year on a major downturn only to come back and end the quarter basically flat. For the quarter, the S&P 500 is up +0.77% on a price basis and up +1.35% on a total return basis (includes re-invested dividends).

So where do we go from here?

As I have mentioned in previous commentaries, I think the market was pricing in a recession early in the year. With the recent rally, this appears less likely. It is always dangerous to make predictions as no one has a crystal ball, but I continue to remain optimistic for long-term investors. The short run, however, may include more volatility throughout the year because of cloudy economic conditions and an upcoming presidential election.

As I have also commented, corporate earnings are what drives the stock market in the long run. I think we will need to get faster growth to see them rise substantially. We seem to be stuck in the 2% GDP (Gross Domestic Product) growth range. If we can just move closer to our long-term average of around 3% growth that would make a huge difference. Frankly, if we can get more business-friendly policies as well as continued relatively low oil prices, which acts as a built-in tax cut for consumers, I think it's possible to get there over time. I see no reason to doubt that as we have done it in the past. As you know, one of my favorite quotes by Mark Twain is, "**History doesn't repeat itself, but often rhymes.**"

As always, we will be diligently watching the markets and will be contacting our clients should changes need to be made. As always, we appreciate your loyalty and trust.

Your referrals are appreciated.

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.

*The 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, US Bureau of Economic Analysis

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