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

The second quarter (4/1/2016 – 6/30/2016) continued the trend of a fairly flat but positive market with periodic volatility. For the quarter, the S&P500 was up approximately +1.9%, which leaves us for the year up +2.69% on a price basis and +3.84% on a total return basis (including reinvested dividends).

### **So where do we go from here?**

I sense quite a bit of nervousness about the stock market out there. This has been compounded by the so-called Brexit, where then United Kingdom voted to leave the European Union. The markets are generally allergic to uncertainty, hence the recent volatility. As long-term readers of my commentaries know, being a contrarian, I look at sentiment as one of several indicators of the future direction of the stock market. Tops often happen when there is EUPHORIA (see 2000 internet bubble burst) and bottom when there is DESPAIR (see the March 2009 financial crisis). Right now I don't see either of these extremes, but certainly more on the negative side. Maybe that is why we remain in a trading range. I recommend PATIENCE and staying the course right now.

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

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