

W. James Steen, CFP®  
jim@petrafin.com

Jason A. Pearson, CFP®  
jason@petrafin.com

(O) 937.294.9000

[www.petrafinancialsolutions.com](http://www.petrafinancialsolutions.com)



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## At-A-Glance

- The S&P 500 advanced 1.8% in May, its third straight monthly gain; the Dow Industrials rose 0.49% and the NASDAQ Composite surged 3.83%.
- Increased odds for a summer rate hike drove the US Dollar Index to a two-month high, up 3% in May.
- Gold futures fell 6% last month, trimming its year-to-date rally to just below 15%. Prospects for higher interest rates hurt gold's appeal relative to fixed-income assets.

Despite a choppy month for stocks, equities ended May with modest gains as investors speculated that the economy is strong enough to withstand possibly higher interest rates later this summer. Stocks were mostly range-bound during the first three weeks of the month, but with increasingly positive incoming economic data, investor sentiment turned from caution to growing conviction that a rate hike might be possible. This month Wall Street learned April new home sales surged nearly 17%, the most in over eight years, while consumer spending rose the most in almost seven years. Commerce Department officials upwardly revised their first quarter GDP growth estimate from 0.5% to 0.8% and the Federal Reserve Bank of Atlanta raised its second quarter GDP forecast from 2.5% to 2.9%. Separate reports showed manufacturing activity remains weak in the Chicago and Dallas Fed districts. The benchmark S&P 500 marked its one-year anniversary of reaching its all-time high of 2,130.82 on May 21, 2015. The index ended the month at 2096.96, just 1.59% below that historic high.

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**PETRA**  
Financial Solutions, Inc.

# Market Monitor

W. James Steen CFP®, MS  
jim@petrafin.com  
Jason A. Pearson CFP®  
jason@petrafin.com  
937.294.9000

## ON ITS WAY BACK TO A TRILLION -

From an all-time peak level of \$1.022 trillion as of 4/30/08, credit card debt in the United States fell to \$833 billion as of 4/30/11, but has since bounced back and reached \$952 billion as of 3/31/16 (source: Federal Reserve).

**PLAN AHEAD** - 44% of American adults surveyed in early May 2016 have executed a will. 68% of American adults at least age 65 have executed a will (source: Gallup).

## ON THE ROAD

**AGAIN** - The national average price of gasoline fell by 34 cents a gallon from Memorial Day 2015 to Labor Day 2015 (source: AAA).

Seven of the ten major sector groups posted gains in May, led by Technology (+5.60%), Healthcare (+2.20%) and Financials (+2.03%). Energy (-0.58%) and Industrials (-0.48%) declined the most. Utilities (+14.48%), Telecom (+14.18%) and Energy (+12.41%) are the highest YTD performers. Healthcare (-0.60%) is the only sector still having a loss this year. Crude oil futures ended May at \$49.10 per barrel, up 5.16% during the month and has jumped 48% since reaching a 12-year closing low on February 11th .

Small-cap domestic stocks, as measured by the Russell 2000 Index, rose 2.25% in May, outperforming its large and mid-cap counterparts. Mid-cap stocks, as measured by the Russell Mid Cap Index, gained 1.64%. Mid-caps stocks are up the most on a YTD basis, gaining 5.02%. Growth stocks outperformed value in May, with the Russell 1000 Growth Index returning 1.94%, while the Russell 1000 Value Index gained 1.55%.

Internationally, the MSCI EAFE Index, a broad measure of global developed markets outside of the U.S. and Canada, underperformed domestic equities, falling 0.91% last month. A U.K. referendum vote on June 23rd is serving as an overhang to global performance as British citizens decide whether or not to continue membership in the European Union. Despite ending May at a three-week high, the MSCI Emerging Markets Index trimmed its loss on the month to 3.73%. Emerging market shares are showing early signs of recovery as concerns ease that higher U.S. rates will weaken global growth.

Treasuries, as measured by the Barclays U.S. Government Bond Index, were unchanged in May. Benchmark 10-year U.S. Treasuries prices were little changed last month, sending its yield up just 1.3 basis points to end at 1.847%. The Barclays U.S. Municipal Bond Index rose 0.27% in May. U.S. investment grade corporate, government and agency-backed bonds, as measured by the Barclays U.S. Aggregate Bond Index, rose just 0.03% last month. At the other end of the credit spectrum, the Barclays U.S. Corporate High Yield Index, a proxy for below-investment grade corporate bonds, climbed 0.62% in May, extending its YTD rally to 8.06%.

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