Weekly Market Commentary
June 20, 2016

The Markets

The world's stock markets took it on the chin last week.

A one-two punch was delivered with the Federal Open Market Committee (FOMC) meeting leading and concerns Britain will leave the European Union following.

On Wednesday, the Federal Reserve confirmed what many had suspected. There would be no June rate hike. There was unexpected news, too. The Fed lowered its projections for U.S. growth to 2 percent through 2018. *Barron's* reported the stance of various committee members had shifted from the previous meeting:

> "At this week's confab, there were seven projections for two increases, to 0.875 percent, and six for a single hike, to 0.625 percent. There also were two outliers expecting more hikes to above 1 percent. Excluding the highest and lowest guesses, the "central tendency" was in a range of 0.6-0.9 percent, according to the Fed's projections…In March, however, there was a solid consensus of nine members expecting two hikes to 0.875 percent, and seven looking for more hikes to over 1 percent. Back then, the single outlier was calling for just one increase to 0.625 percent."

In the past, dovish Fed actions have pushed U.S. stock markets higher; however, stocks were lower by the end of the day on Wednesday, according to *MarketWatch*.

Investor reticence may owe much to concerns about the possibility of a British exit. Experts cited by *Barron's* suggested an EU exit may already be priced into markets since European bank stocks "have been crushed…with some down 40 percent and others at lows not seen in years."

Treasuries and high-quality government bonds rallied through the end of the week as investors opted for 'safe haven' investments. On Friday, investors took profits after eight days of gains and rates pushed slightly higher, reported *The Wall Street Journal*.

Data as of 6/17/16	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 (Domestic Stocks)	-1.2%	1.3%	-1.4%	8.1%	10.3%	5.7%
Dow Jones Global ex-U.S.	-2.5	-3.4	-13.8	-2.0	-1.4	0.0
10-year Treasury Note (Yield Only)	1.6	NA	2.3	2.2	3.0	5.2
Gold (per ounce)	1.2	21.5	9.6	-2.3	-3.4	8.5
Bloomberg Commodity Index	-0.3	12.9	-11.7	-12.1	-11.0	-6.2
DJ Equity All REIT Total Return Index	0.9	8.9	14.8	11.1	12.0	7.3

S&P 500, Dow Jones Global ex-US, Gold, Bloomberg Commodity Index returns exclude reinvested dividends (gold does not pay a dividend) and the three-, five-, and 10-year returns are annualized; the DJ Equity All REIT Total Return Index does include reinvested dividends and the three-, five-, and 10-year returns are annualized; and the 10-year Treasury Note is simply the yield at the close of the day on each of the historical time periods.

Sources: Yahoo! Finance, Barron's, djindexes.com, London Bullion Market Association.

Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly. N/A means not applicable.

ARE YOU WORTH YOUR WEIGHT IN PLATINUM OR, MAYBE, SAFFRON? Gold is not the only substance that commands a hefty price per pound. *The Telegraph* recently reported on the most valuable materials in the world by weight and some were quite surprising!

- **Saffron** is the most valuable spice in the world. Most of the world's saffron comes from Iran and it can cost as much as $65 a gram, according to *The Guardian*. There are almost 454 grams in a pound, putting the value of saffron at $29,510 a pound.
- **Beluga caviar** is mighty expensive. *Guinness World Records* puts the price at about $34,500 a kilogram. A kilogram is a little more than two pounds.
- **Platinum** is expected to cost about $1,005 an ounce during 2016, according to *Kitco*. There are 16 ounces in a pound, putting its per pound value at $16,080.
- **Gold** may run about $1,250 an ounce, or $20,000 a pound, by the end of 2016, according to *CNN Money*.
- **White truffles** are "the fanciest tubers in the fungi kingdom," according to *Vox.com*. A four-plus pounder sold for $60,000 at auction in 2014, but more common varieties sell for about $300 a pound.
- **Venom** is pretty tough to harvest, and it commands a premium price. Snake venom runs about $370 per gram, scorpion venom about $596 per gram, and spider venom comes in at about $1,342 per gram. Multiply these amounts by 454 and you get (per pound for each) $167,980 for snake venom, $270,584 for scorpion venom, and $609,268 for spider venom!

Gram for gram, there are some things in the world more valuable than gold!

Weekly Focus – Think About It

"My father gave me the greatest gift anyone could give another person, he believed in me."
--Jim Valvano, College basketball player, coach, and broadcaster

Best regards,

Tony Kalinowski

P.S. Please feel free to forward this commentary to family, friends, or colleagues. If you would like us to add them to the list, please reply to this e-mail with their e-mail address and we will ask for their permission to be added.

* The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. You cannot invest directly in this index.
* The Standard & Poor's 500 (S&P 500) is an unmanaged index. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment.
* The Dow Jones Global ex-U.S. Index covers approximately 95% of the market capitalization of the 45 developed and emerging countries included in the Index.
* The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.
* Gold represents the afternoon gold price as reported by the London Bullion Market Association. The gold price is set twice daily by the London Gold Fixing Company at 10:30 and 15:00 and is expressed in U.S. dollars per fine troy ounce.
* The Bloomberg Commodity Index is designed to be a highly liquid and diversified benchmark for the commodity futures market. The Index is composed of futures contracts on 19 physical commodities and was launched on July 14, 1998.
* The DJ Equity All REIT Total Return Index measures the total return performance of the equity subcategory of the Real Estate Investment Trust (REIT) industry as calculated by Dow Jones.
* Yahoo! Finance is the source for any reference to the performance of an index between two specific periods.
* Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance.
* Economic forecasts set forth may not develop as predicted and there can be no guarantee that strategies promoted will be successful.
* Past performance does not guarantee future results. Investing involves risk, including loss of principal.
* You cannot invest directly in an index.
* Consult your financial professional before making any investment decision.
* Stock investing involves risk including loss of principal.

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