Commentary

December 28, 2015

The Markets

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Regardless, improving oil prices gave U.S. stock markets a boost. In particular, the Standard & Poor's 500 Index (S&P 500) benefitted from improving performance in the energy sector:

"Of 80 U.S. listed oil and gas producers, all but one – a bankrupt company – rose on the day, with nearly half of the companies up more than 10 percent. Energy shares were the biggest gainers Wednesday in the S&P 500, up 3.8 percent and helped the S&P 500 on the whole gain 1.2 percent in late-afternoon trading."

Barron's reported energy stocks had gained 5 percent for the week, but were still off by about 22 percent for the year.

The Organization of the Petroleum Exporting Countries (OPEC) released its World Oil Outlook last week. *BBC* reported OPEC anticipates oil prices will begin to rise in 2016, although its producers' share of the market is expected to shrink by 2020 as rival oil-producers proved to be more resilient in the face of low oil prices than had been expected.

Data as of 12/24/15	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 (Domestic Stocks)	2.8%	0.1%	-1.0%	13.1%	10.4%	5.1%
Dow Jones Global ex-U.S.	1.9	-6.2	-6.6	0.3	-0.7	0.7
10-year Treasury Note (Yield Only)	2.2	NA	2.2	1.8	3.4	4.3
Gold (per ounce)	0.9	-10.6	-8.9	-13.6	-4.9	7.5
Bloomberg Commodity Index	1.3	-24.8	-26.1	-17.3	-13.2	-7.4
DJ Equity All REIT Total Return Index	2.0	2.6	1.7	10.6	11.8	7.2

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.
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--Rene Descartes, French philosopher, mathematician, and scientist

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*Corporate bonds are considered higher risk than government bonds but normally offer a higher yield and are subject to market, interest rate and credit risk as well as additional risks based on the quality of issuer coupon rate, price, yield, maturity, and redemption features.
* 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.
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* 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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