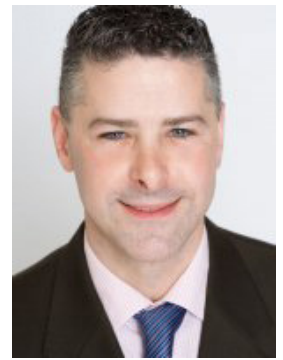




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## MARCH 2016

### Market Update

(all values as of 02.29.2016)

#### Stock Indices:

Dow Jones	16,516
S&P 500	1,932
Nasdaq	4,557

#### Bond Sector Yields:

2 Yr Treasury	0.78%
10 Yr Treasury	1.74%
10 Yr Municipal	1.76%
High Yield	9.12%

#### YTD Market Returns:

Dow Jones	-5.21%
S&P 500	-5.47%
Nasdaq	-8.98%
MSCI-EAFE	-9.21%
MSCI-Europe	-8.60%
MSCI-Pacific	-10.34%
MSCI-Emg Mkt	-6.78%

US Agg Bond	1.96%
US Corp Bond	0.91%
US Gov't Bond	2.12%

#### Commodity Prices:

Gold	1,238
Silver	14.90
Oil (WTI)	32.78

#### Currencies:

Dollar / Euro	1.09
Dollar / Pound	1.38
Yen / Dollar	113.96
Dollar / Canadian	.73

### Current Environment - Macro Overview

Volatile oil prices and uncertainty about the presidential race led to erratic markets throughout February, yet buffered by improving economic news including GDP growth for the fourth quarter of 2015 that was revised higher from 0.7% to 1.0%, as released by the Commerce Department.

The Commerce Department also reported that consumer spending rose 0.5% in January, the biggest gain in 10 months, along with an increase in Personal Consumption Expenditures (PCE) of 1.3% in December. Economic indicators such as these are tracked closely by the Federal Reserve for signs of improvements in the overall economy, which may lead the Federal Reserve to raise rates faster than anticipated. Many economists believe that a delicate balance between economic growth and interest rate increases is the Fed's biggest challenge.

Saudi Arabia and Russia came close to an oil production cut agreement, but then scrapped the idea last minute send-

ing oil prices lower. Energy markets were hoping for some sort of production cut from two of the world's largest producers in order to prop prices up.

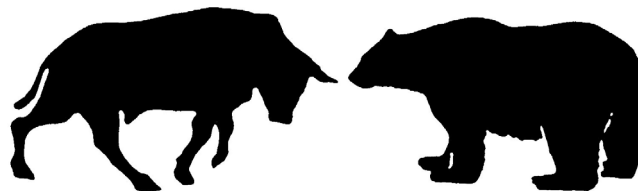
With U.S. companies now allowed to export oil since the removal of the 40-year export ban on December 18th, the country is poised to improve the efficiency and flexibility of global oil markets as U.S. oil finds its way into other countries.

U.S. banks will undergo more stringent stress tests imposed by the Federal Reserve, designed to assess how well banks can absorb negative economic impacts, such as high unemployment, low growth, and low interest rates, which inhibit bank earnings. The stress tests have become the Fed's main tool for keeping banks in check.

**Sources: U.S. Department of Commerce, Federal Reserve Bank**

### Equity Overview - Domestic Stock Market

Domestic and international equity markets continued on a volatile course as central banks further explored the negative



yield arena of government bonds. U.S. equities rebounded towards the end of February from lows earlier in the month.

The S&P 500 Index moved back above a critical technical indicator for the first time since the end of December. The 50-day moving average is used by technical stock analysts to help determine the direction of the market.

With the U.S. presidential election not until the fall, many analysts believe that the markets will trade in a range bound pattern until then.

Sources: Bloomberg, S&P

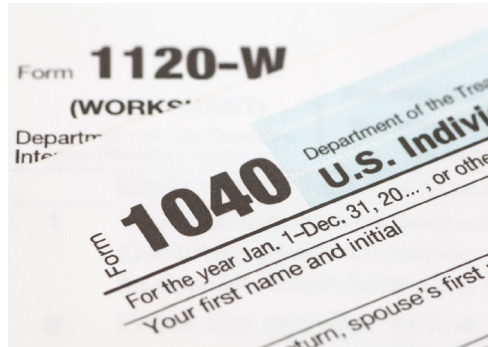
## 45% of Americans Pay No Federal Income Tax - Fiscal Policy

Disparity of income has been a preponderate subject for politicians and activist groups for sometime, yet in the end it's those that earn the higher incomes that pay for the majority of taxes.

An estimated 77.5 million Americans, identified as households, pay no federal income tax. The non-partisan, non-profit tax group known as The Tax Policy Center, released income tax data it analyzed for 2015 and found that nearly half, about 45.3% of American households, paid no federal income tax in 2015. The Tax Policy Center estimates that the percentage of Americans that will not pay income tax in 2016 will drop slightly to 44.5%.

Generous tax credits and low tax brackets for low-income earners allow minimal to no federal

tax payments. The Tax Policy Center did find that these lower income households did pay their share of state, local, property, sales, and excise taxes.



Federal tax data for 2014 and 2015 showed the top 1% of taxpayers subject to a higher effective tax rate, averaging about 23%, seven times higher than taxpayers in the bottom 50%.

The ultra wealthy, also known as the top 1% of taxpayers, with annual incomes of about \$2 million, pay about 44% of all of the federal income taxes in the U.S.

Source: Tax Policy Center/Washington D.C.

## Stamp Prices Set To Go Down - Market Fact

For the first time in 97 years, the U.S. Postal Service is lowering the price on first class postage. Effective April 10th, a first class stamp will cost 47 cents, down from 49 cents. The last postal price drop was in 1919 when a first class stamp dropped from 3 cents to 2 cents.



sales has spurred a growth in package shipments over the past few years. Standard mail, such as first class letters and postcards, represent 76% of postal revenue.

Other postage dropping in price on April 10th includes postcards, from 35 cents to 34 cents, and international stamps from \$1.20 to \$1.15.

The price reduction is part of a prearranged agreement with Congress when the USPS was allowed to increase the price of stamps by three cents in 2014 in order to stem a dramatic loss in revenue. The price hike was set to last for only two years, allowing the USPS to raise over \$4.6 billion in revenue. Stamp prices may still increase as inflation picks up, since postage is pegged to inflation.

Unfortunately for those who so far have purchased countless types of Forever stamps with an array of pricing, colors and themes, new purchases at the new "Forever" price will have to be made while putting aside all others priced above until the (not-so) Forever stamp is again at least 49 cents.

Optimistically for the USPS, the advent of internet

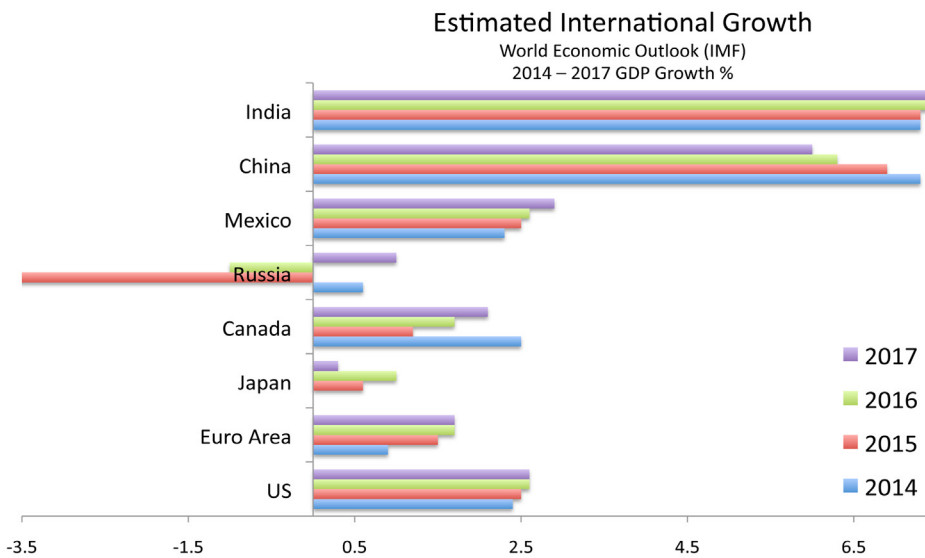
Sources: USPS

## India Seen As Next Big Growth Story After China - [International Demographics](#)

At the beginning of each year, the International Monetary Fund (IMF) releases its World Economic Outlook, a projection of where the organization predicts economic growth will come from.

For the past 20 years, China has led the global markets as the fastest major emerging

China's slowdown has affected international markets as the fear of an analogous occurrence with other countries could happen. Numerous smaller emerging market countries have become dependant on China's growth as production opportunities have trickled over.



India is the single largest democracy in the world and the second most populous country after China, with over 1.2 billion people. With a work force of over 486 million people, India has the world's second largest labor force as of 2011 according to the CIA Factbook.

It is expected that as India builds out and modernizes its infrastructure, which started in China nearly 30 years ago, it will also experience tremendous growth as new jobs are created with a growing number of India's population becoming consumers.

market country, until now. As tracked by the IMF, India has begun to take the place of China, with an estimated 7.5% growth rate versus China's 6.3% growth for 2016. Estimates for 2017 project a further slowdown for China and continued growth for India.

Source: IMF; World Economic Outlook, 01/16 Release

## Fixed Income Update - [Global Bond Markets](#)

Government bond yields from various developed countries fell into negative territory in February, as central banks applied further stimulus efforts.

Yields on the 2-year German bond fell to -0.53% and yields on Japanese 10-year bonds traded at -0.024%, a first for Japanese debt.

As international yields fell in February, so did U.S. government and corporate yields. Mortgage rates also fell as key lending rates such as the 10-year Treasury fell to yields not seen since 2012.

The lower-than-expected yields drew renewed concern about a global economic slowdown as well as leading to unintended market dynamics. Economists have traditionally seen lower yields prompt lending and spending, but some hoarding of cash has resulted instead. As rates have fallen below zero in certain markets, investors are better off holding cash themselves rather than paying governments to hold their cash.

Sources: Bloomberg

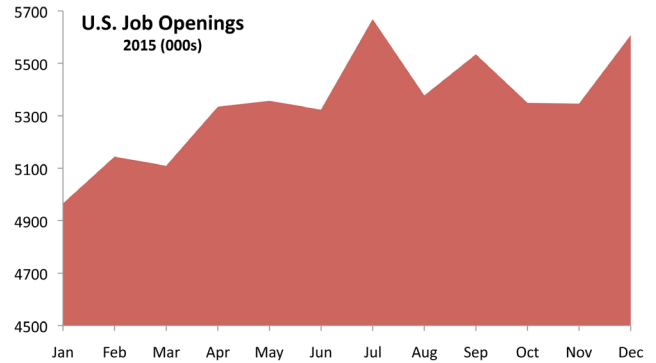
## U.S. Has Over 5.5 Million Jobs To Fill - Labor Market Update

The Department of Labor released its most recent data for open jobs, with 5.6 million open positions in December, just shy of a 5.7 record set in July of 2015.

The data show that employers are optimistic about long-term economic growth and are willing to post new positions in order to compete for a dwindling pool of qualified workers across the country. Such dynamics may eventually lead to higher wages as competition for a tight labor supply encourages employers to bid salaries higher.

Job openings were created across various industries, an optimistic note as viewed by economists.

Transportation, business services, and health education saw the most job openings on a national level. Certain positions tend to require higher skill sets, thus increasing the time that positions remain open until employers find qualified workers.



Separations, also known as employee turnover, have not changed much in the past year. Separations include employees that have quit, layoffs, and discharges. This is also a measure of the labor market's health, such as when companies have fewer layoffs and when companies incentivize employees to stay. So, no increase in separations is essentially a positive sign for the labor market.

Source: Dept. of Labor

## Britain's Possible EU Exit (Brexit) Affects The Pound - Currency Overview

The possibility of Britain's exit from the European Union (EU) has sent the British pound lower, making it the worst performing currency of a developed nation versus the dollar year to date. The pound fell below 1.40 versus the dollar in February, raising fears of inflation as British consumers buy plenty of imported goods, subject to higher prices as the pound is able to buy less be-

cause its devaluation. Britain has been an integral component of the 28 nation EU for four decades.

Economists and analysts are closely watching the direction of the pound as it could possibly affect surrounding European countries and pose a risk to further fragmentation of the European Union.

Moody's rating agency expressed concern that Britain's exit from the EU might hinder its credit rating, thus increasing the country's cost to borrow money.

The yield on the gilt, Britain's 10-year government bond, rose to 1.45% in late February, as bonds were sold in anticipation of higher rates should an exit of the EU occur.



Sources: EuroStat, Bloomberg, Reuters, Moody's

\*Market Returns: All data is indicative of total return which includes capital gain/loss and reinvested dividends for noted period. Index data sources; MSCI, DJ-UBSCI, WTI, IDC, S&P. The information provided is believed to be reliable, but its accuracy or completeness is not warranted. This material is not intended as an offer or solicitation for the purchase or sale of any stock, bond, mutual fund, or any other financial instrument. The views and strategies discussed herein may not be appropriate and/or suitable for all investors. This material is meant solely for informational purposes, and is not intended to suffice as any type of accounting, legal, tax, or estate planning advice. Any and all forecasts mentioned are for illustrative purposes only and should not be interpreted as investment recommendations. Quint Wealth Management, Inc. (Quint Investments & Insurance) is a Registered Investment Adviser in New York. We are allowed to do business in New York and other states where we are registered, exempted, or excluded from registration. Investments involve risk and unless otherwise stated, are not guaranteed. Be sure to first consult with a qualified financial adviser and/or tax professional before implementing any strategy discussed herein. Insurance products and services are offered and sold through Quint Risk Management, Inc. and individually licensed and appointed insurance agents.