

# Weekly Market Commentary

## April 25, 2016

### The Markets

U.S. stock markets finished last week in heady territory.

The Dow Jones Industrial Average closed at 18,003. Its all-time closing high is 18,312. The Standard & Poor's 500 Index was less than 1 percent below its intraday trading record, which was set last year.<sup>1,2</sup>

Despite strong stock market performance, optimism was in short supply.

*Barron's* latest Big Money poll showed money managers are less bullish than they were last fall. Just 38 percent were bullish or very bullish about the prospects for stocks in coming months, 46 percent were neutral, and 16 percent were bearish. Their outlook varied by market. Overall, they were most enthusiastic about the United States, European, and emerging markets.<sup>3</sup>

- U.S. stocks: 72 percent bullish / 28 percent bearish
- European stocks: 66 percent bullish / 34 percent bearish
- Emerging markets stocks: 53 percent bullish / 47 percent bearish
- Japanese stocks: 30 percent bullish / 70 percent bearish
- Chinese stocks: 29 percent bullish / 71 percent bearish

The *American Association of Individual Investors'* Sentiment Survey reported, when compared to money managers, investors are less neutral (43 percent) and more bearish (24 percent) about what may happen during the next six months.<sup>4</sup>

Current levels of pessimism might have inspired Sir John Templeton, a renowned contrarian investor. He once said, "Bull markets are born on pessimism, grow on skepticism, mature on optimism, and die on euphoria."<sup>5</sup>

Data as of 4/22/16	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 (Domestic Stocks)	0.5%	2.3%	-0.8%	10.2%	9.4%	4.8%
Dow Jones Global ex-U.S.	1.0	1.7	-11.8	-0.3	-1.8	-0.5
10-year Treasury Note (Yield Only)	1.9	NA	2.0	1.7	3.4	5.0
Gold (per ounce)	1.3	17.0	4.5	-4.4	-3.7	7.2
Bloomberg Commodity Index	3.3	5.7	-17.5	-14.1	-13.8	-7.3
DJ Equity All REIT Total Return Index	-1.7	4.2	5.1	7.8	10.6	6.7

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.

**ON AVERAGE, AMERICANS SPEND 91 PERCENT OF THEIR TIME INDOORS OR IN A VEHICLE.** Just 7 to 8 percent of their time is spent outside. These were the findings of *The National Human Activity Pattern Survey (NHAPS)* which measures variation in human exposure to pollutants.<sup>6</sup>

The findings do not bode well for Americans' health because levels of pollution indoors are a lot higher than those outside and can cause serious health issues.<sup>7</sup> They also are notable because researchers believe being outside has positive health effects:<sup>8</sup>

“Research published in the *Journal of Aging Health* shows that getting outside on a daily basis may help older people stay healthy and functioning longer. Participants in the study who spent time outdoors every day at age 70 showed fewer complaints of aching bones or sleep problems, among other health-related problems, at age 77 than those who did not head outside each day.”

Being outside is thought to have benefits for people of all ages. These may include:<sup>9</sup>

- Greater optimism
- Enhanced mental health
- Improved attention spans
- Stronger immune systems

Rearranging time budgets to include more outdoor activities could improve financial outcomes, too, since healthcare costs are a concern for many families, and these costs often increase as people age. The *Bureau of Labor Statistics* reported, on average, Americans spent about \$53,500 in 2014. Almost \$4,300 – about 8 percent – was spent on healthcare.<sup>10</sup>

## **Weekly Focus – Think About It**

“Everybody needs beauty as well as bread, places to play in and pray in, where nature may heal and give strength to body and soul.”

--John Muir, American environmentalist and author<sup>11</sup>

Best regards,

**Jim**

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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.

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\* The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general.

\* The Dow Jones Industrial Average is a price-weighted index of 30 actively traded blue-chip stocks.

\* The NASDAQ Composite Index is an unmanaged, market-weighted index of all over-the-counter common stocks traded on the National Association of Securities Dealers Automated Quotation System.

\* 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.

\* Consult your financial professional before making any investment decision.

\* You cannot invest directly in an index.

\* Past performance does not guarantee future results. Due to ongoing market volatility, current performance may be more or less than the results shown in this white paper.

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\* Compliance Number: CRN201804-201725

Sources:

<sup>1</sup> [http://www.barrons.com/articles/dow-tops-18-000-just-short-of-all-time-high-1461387030?mod=BOL\\_hp\\_we\\_columns](http://www.barrons.com/articles/dow-tops-18-000-just-short-of-all-time-high-1461387030?mod=BOL_hp_we_columns) (or go to [https://s3-us-west-2.amazonaws.com/peakcontent/+Peak+Commentary/04-25-16\\_Barrons-Dow\\_Tops\\_18000\\_Just\\_Short\\_of\\_All-Time\\_High-Footer\\_1.pdf](https://s3-us-west-2.amazonaws.com/peakcontent/+Peak+Commentary/04-25-16_Barrons-Dow_Tops_18000_Just_Short_of_All-Time_High-Footer_1.pdf))

<sup>2</sup> <http://www.investopedia.com/ask/answers/100214/what-dow-jones-industrial-average-djia-alltime-high.asp>

<sup>3</sup> [http://www.barrons.com/articles/barrons-big-money-poll-the-pros-turn-cautious-1461387009?mod=trending\\_now\\_4](http://www.barrons.com/articles/barrons-big-money-poll-the-pros-turn-cautious-1461387009?mod=trending_now_4) (or go to [https://s3-us-west-2.amazonaws.com/peakcontent/+Peak+Commentary/04-25-16\\_Barrons-Barrons\\_Big\\_Money\\_Poll-The\\_Pro\\_Turn\\_Cautious-Footer\\_3.pdf](https://s3-us-west-2.amazonaws.com/peakcontent/+Peak+Commentary/04-25-16_Barrons-Barrons_Big_Money_Poll-The_Pro_Turn_Cautious-Footer_3.pdf))

<sup>4</sup> <http://www.aaii.com> (Scroll down to Sentiment Survey in left-hand column)

<sup>5</sup> <http://www.sirjohntempleton.org/quotes/>

<sup>6</sup> <https://indoor.lbl.gov/sites/all/files/lbnl-47713.pdf> (page 13)

<sup>7</sup> <http://www.rff.org/files/sharepoint/WorkImages/Download/RFF-DP-09-21.pdf> (page 3)

<sup>8</sup> [http://www.huffingtonpost.com/2014/06/22/how-the-outdoors-make-you\\_n\\_5508964.html](http://www.huffingtonpost.com/2014/06/22/how-the-outdoors-make-you_n_5508964.html)

<sup>9</sup> <http://news.health.com/2014/09/29/health-benefits-of-nature/>

<sup>10</sup> <http://www.bls.gov/news.release/cesan.nr0.htm>

<sup>11</sup> <http://www.brainyquote.com/quotes/quotes/j/johnmuir104245.html>