

# EPIC CAPITAL WEALTH MANAGEMENT

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## WEEKLY MARKET COMMENTARY

February 9, 2015

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### The Markets

What's in an employment report?

Last week, the U.S. Bureau of Labor Statistics' Employment Situation Summary was full of encouraging data. Employment numbers for last November and December were revised higher which made 2014 the strongest year for job growth since 1999. However, 2015 isn't off to a shabby start. The economy added just over a quarter of a million jobs in January. In addition, *Barron's* reported:

"...Wages for private-sector workers ticked higher in January, rising 0.5 percent from December and 2.2 percent year-over-year. That sort of growth must persist to indicate a trend, but it is a promising sign, and one that could quell chatter about deflation in the U.S. The good news doesn't end there. Low gas prices could save the average household \$750 this year, and household net worth remains near an all-time high. It's no wonder consumer confidence hit its highest level last month in more than seven years."

Consumers are happy. Workers are happy. Who's not happy? The answer may be companies and investors. *Barron's* speculated workers' gains could come at the expense of corporate profits.

Last week, *Factset.com* reported analysts are expecting to see year-over-year declines in both the overall earnings and revenues of companies in the Standard & Poor's 500 Index during the first half of 2015. The downward revisions primarily reflect the expected performance of companies in the energy sector. While prospects for the first half of 2015 have dimmed a bit, analysts are expecting profit margins to expand and companies to have record earnings per share, overall, during the second half of 2015.

Data as of 2/6/15	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500	3.0%	-0.2%	15.9%	15.2%	14.2%	5.5%
10-year Treasury Note (Yield Only)	1.9	NA	2.7	1.9	3.6	4.1
Gold (per ounce)	-1.5	3.5	-1.2	-10.3	3.1	11.6
Bloomberg Commodity Index	1.8	-1.6	-19.9	-11.1	-4.3	-3.2
DJ Equity All REIT Total Return Index	-1.4	4.7	29.7	14.9	19.7	9.4

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S&P 500, 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.

**WHAT IS THE MOST COMMON JOB IN THE UNITED STATES?** In the late '70s and early '80s, secretary would have taken top honors in more than one-half of the United States. Machine operators and factory workers were in demand then, too. However, since then, personal computers have made secretarial work less prevalent, and technology and globalization erased many manufacturing positions in the United States.

Since the mid-80s, truck driving has become the most common occupation in most states, according to *National Public Radio (NPR)*. One reason is that, so far, truck driving has been relatively unaffected by globalization and automation. As *NPR* reported, "A worker in China can't drive a truck in Ohio, and machines can't drive cars (yet)."

If you're looking for recession-proof jobs (take that with a grain of salt – the Titanic was billed as being unsinkable), *CareerProfiles.com* reported the following industries are expected to have the greatest job growth during the next decade:

- Sales and Finance (marketing managers and financial managers)
- Computer software (systems software engineers)
- Engineering (chemical, electrical, mechanical, and civil engineers)
- Computer systems (systems analysts)
- Finance/Accounting (financial analysts, accountants)
- Education (certified teachers, teaching assistants and aides)

The U.S. government's predictions for the fastest growing jobs through 2022 are slightly different. The top occupations on that list include:

- Industrial-organizational psychologists
- Personal care aides
- Home health aides
- Insulation workers, mechanical
- Interpreters and translators

Other fields with good prospects include energy and the environment, healthcare, and security.

## Weekly Focus – Think About It

"The Eskimos had fifty-two names for snow because it was important to them: there ought to be as many for love."

-- Margaret Atwood, *Canadian novelist*

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**Financial Factoid** - The S&P 500 was down 3.0% (total return) in January 2015, its 2nd consecutive negative January. January's performance was worse than 85% of the last 300 months (i.e., 25 years).

**Epic Humor** – Over breakfast, a woman said to her husband, 'I bet you don't know what day this is?'

'Of course I do,' he answered indignantly, as he slammed the door, and drove to his office.

At 11 o'clock, the doorbell rang. The wife answered, and there was a delivery, a box containing 12 red roses.

Later, at 2 pm there was another knock at the door, this time it was a deluxe box of Belgian chocolates.

Eventually the husband came home, tired after a day's work. His wife greeted him by saying: 'First the flowers, then the chocolates, I've never had a more wonderful Groundhog Day in my life!'

Best regards,

*Have a great week!*

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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 DJ Global ex US is an unmanaged group of non-U.S. securities designed to reflect the performance of the global equity securities that have readily available prices.

\* 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 London afternoon gold price fix as reported by the London Bullion Market Association.

\* The DJ 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.

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- \* The DJ Equity All REIT TR 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.
- \* Past performance does not guarantee future results.
- \* You cannot invest directly in an index.
- \* Consult your financial professional before making any investment decision