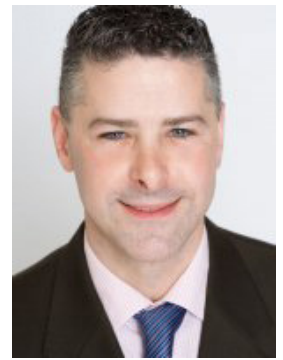




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APRIL 2016

Market Update

(all values as of 03.31.2016)

Stock Indices:

Dow Jones	17,685
S&P 500	2,059
Nasdaq	4,869

Bond Sector Yields:

2 Yr Treasury	0.73%
10 Yr Treasury	1.78%
10 Yr Municipal	1.76%
High Yield	8.38%

YTD Market Returns:

Dow Jones	1.49%
S&P 500	0.77%
Nasdaq	-2.75%
MSCI-EAFE	-3.74%
MSCI-Europe	-3.18%
MSCI-Pacific	-4.64%
MSCI-Emg Mkt	5.37%

US Agg Bond	3.02%
US Corp Bond	3.97%
US Gov't Bond	3.46%

Commodity Prices:

Gold	1,231
Silver	15.45
Oil (WTI)	38.34

Currencies:

Dollar / Euro	1.13
Dollar / Pound	1.43
Yen / Dollar	112.47
Dollar / Canadian	.76

Current Environment - Macro Overview

Equity markets rebounded in March as rate hike fears eased and healthy domestic economic data revealed consistent conditions, resulting in a resounding turnaround from the market lows experienced in February.

The concern of a rapid rate increase by the Federal Reserve subsided towards the end of the 1st quarter, as Fed Chairperson Janet Yellen helped tame prior remarks made by fellow Federal Reserve members. Subdued inflation and economic growth expectations led the Fed to curtail its stance on predetermined rate hikes. The Fed identified "global economic and financial developments continue to pose risks".

Labor Department data released for the first week in March showed that merely 253,000 Americans filed for unemployment, the fewest number since 1973. Economists view the lessening amount of unemployment applicants as a validation that the labor market continues to steadily strengthen.

Some analysts believe that oil may have found a bottom around \$26 per barrel in the first quarter, alleviating fears of a further oil price drop. Oil prices recovered in March from persistent lows earlier in the year.

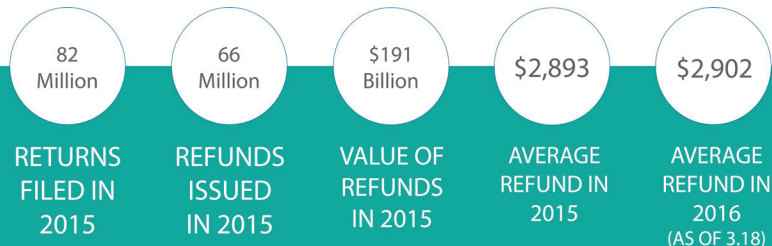
Easing rate hike concerns led to the dollar's derailment from its uptrend during the quarter, creating opportunities for additional exports, as American made products become less expensive for international buyers.

A new acronym arose from international central banks lowering rates to negative territories, NIPR (Negative Interest Rate Policy). The Bank of Japan adopted negative interest rates in January and lowered key lending rates to below 0%, nearly a year and a half after the European Central Bank became the first major institution of its kind to venture below zero. Other countries meandering into the negative arena include Switzerland, Denmark and Sweden.

The ECB ramped up its economic stimulus efforts in Europe by increasing its bond purchases from 60 billion euros to 80 billion euros per month. In addition, the central bank will be buying both government bonds and investment grade corporate bonds. Markets welcomed the strategy of venturing into the corporate realm, sending bond prices higher due to a limited supply of the debt.

Sources: Fed, Dept. of Labor, Eurostat, ECB, Dept. of Energy

TAX RETURN STATISTICS

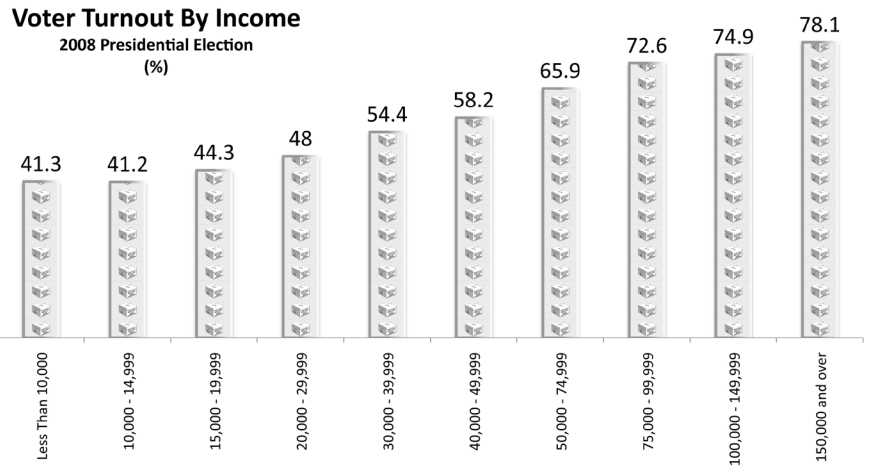


Voter Turnout Statistics - Domestic Demographics

During the 2012 Presidential Election, as in previous elections, voter turnout was closely followed. This year's election may have similar characteristics as other elections, making who turns out to vote once again important. A few key factors affect voter turnout, including education, income, and age.

In the 2012 election, individuals with a higher level of education were the bulk of the voters. Over 76% of voters in the 2012 election had advanced degrees, while 23% of voters in 2012 had less than a 9th grade education. Over 50% of voters in 2012 had at least a high school degree.

Income disparity has become more of a discussion among politicians since higher income earners tend to make up the bulk of

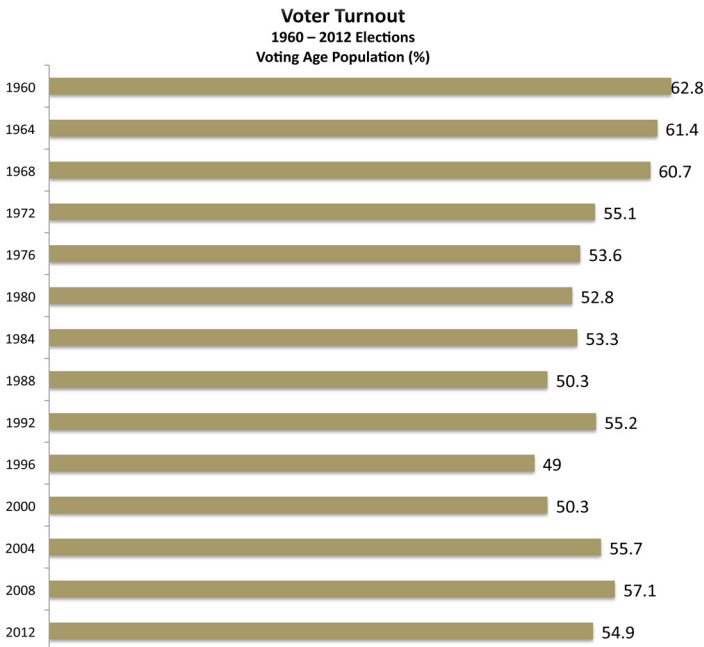


voters. Over 78% of voters in the 2008 elections had incomes of greater than \$150,000, while 41% had incomes of less than \$10,000.

Voter turnout is determined by the number of eligible voters who cast a ballot during an election. Some voters are individuals while others are members of larger families, thus creating social economic dynamics. Social economic factors significantly affect whether or not individuals and family members develop a discipline of voting in future elections.

It is suggested that the most important social economic factor affecting voter turnout is education. That is the more educated an individual is, the higher the probability that he or she will vote during any given election. Hence, it's no surprise that all political parties strongly support a strong educational base in this country.

Sources: U.S. Census Bureau, Bipartisan Policy Center



Equity Overview - [Global Stock Markets](#)

U.S. equity markets fared better than other developed country stock markets as European, Japanese, and U.K. equities were negative for the first quarter. The S&P 500 Index and the Dow Jones Industrial Average Index turned positive for the year in March, alleviating some angst that was prevalent earlier in the year. The S&P 500 Index's gain in March was the most since October 2015.

Overall, global equity markets rebounded resoundingly from a negative 11% in mid-February, rallying to a barely positive quarter. Spillover from the rally in emerging market stocks benefited domestic companies with ex-

posure in the expanding developing sectors.

Dividend paying stocks outperformed non-dividend paying stocks in the quarter, as lower bond yields and a return to equities drove demand for dividends.

Analysts see Fed rate hikes as an advantage to larger capitalized companies with strong balance sheets because they won't need to borrow money at higher rates as credit tightens.

Sources: Standard & Poor's, Dow Jones, Bloomberg

International Update - [Emerging & International Markets](#)

Emerging markets staged a remarkable recovery in March as the MSCI Emerging Markets Index gained 13% for the month, yet still off over 14% for the past year.

Developed international equity markets, as measured by the MSCI EAFE Index, were up over 5% for the month of March and off -3.74% for the quarter ended March 31st.

Recent corruption scandals in Brazil have led to a possible resignation, if not impeach-

ment of the country's president. As the largest economy in South America, Brazil is a leading manufacturer, importer, and exporter affecting neighboring countries in the region.

The prospect of new leadership in Brazil helped propel the nation's key stock index up 27% for the quarter, signaling that changes in Latin leaderships may be a benefit for Latin economies.

Sources: MSCI, Portal Brasil.br

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

Contrary to what was expected, bonds outperformed stocks in the first quarter. Bond markets followed the equity market lead generating gains across various fixed income sectors. Corporate, municipal, and government bond sectors all saw price increases in March, ending the 1st quarter on a favorable note even as the Fed's threat of a rapid rate rise was a concern earlier in the year.

Fixed income analysts gauge the attractiveness of the corporate bond sector by how much more yield corporate bonds pay relative to U.S. government bonds, also known as a spread. The

recent spread between corporate and government bonds rose to levels making corporate bond yields attractive even at the current low yields. The expectation is that once the Fed continues its tightening, the spread will decrease because of higher yielding government bonds.

Fed Chairperson Janet Yellen made note that falling bond yields during the first quarter had helped to offset tightening financial conditions brought about by a sliding stock market.

Sources: Bloomberg, Federal Reserve

How To Check On Your Refund Status - Tax Planning

According to the IRS, as of March 18th the agency had issued over 65 million tax refunds worth more than \$189 billion. The average refund so far through mid-March is \$2,902, slightly more than the average return from last year.

The majority of taxpayers getting a refund are doing so through direct deposit, which accounts for almost 88% of refunds so far this year. The IRS had received 81.9 million tax returns by mid-March, of which more than 76 million were filed electronically. The IRS also noted that more taxpayers are visiting its website, IRS.gov, in order to get tax help and information.



The IRS site allows taxpayers to check the status of a refund, access transcripts of their tax returns, request electronic filing of Personal Identification Numbers, find answers to tax law questions, and check the status of amended returns. Usage of the tool to check the status of a refund "Where's My Refund?" was the most visited U.S. government website at the end of March.

Source: IRS, www.irs.gov/Refunds, www.analytics.usa.gov/

The Significance of the Transportation Index - Historical Note

The Dow Jones Transportation Index is a historical index that dates back to 1884. It is comprised of leading bellwether transportation stocks in the trucking and delivery sector, domestic airlines, as well as companies in the railroad sector.

As a leading indicator of economic growth, these strong gains in the index are often a good sign for the U.S. economy, especially in periods when energy prices are high or increasing as well. The biggest risk to these strong gains is most likely a pullback in consumer spending activity, which would negatively affect shipping and



logistics demand. Consumer confidence, manufacturing activity, and strong corporate earnings are all factors to watch to see if these gains in transportation related stocks are sustainable.

The Transportation index is also one of the underpinnings of the Dow Theory of stock price movements. This technical theory states that a major trend in the stock market must be confirmed by the simultaneous movement of the Dow Jones Industrial Average and the Dow Jones Transportation Average to new highs or lows.

Source: Dow Jones