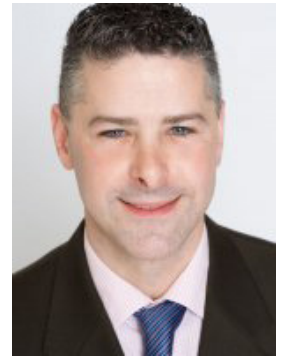




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MARCH 2015

Market Update

(all values as of 02.27.2015)

Stock Indices:

Dow Jones	18,132
S&P 500	2,104
Nasdaq	4,963

Bond Sector Yields:

2 Yr Treasury	0.62%
10 Yr Treasury	1.99%
10 Yr Municipal	2.12%
High Yield	5.91%

YTD Market Returns:

Dow Jones	1.74%
S&P 500	2.21%
Nasdaq	4.80%
MSCI-EAFE	6.27%
MSCI-Europe	6.05%
MSCI-Pacific	6.85%
MSCI-Emg Mkt	3.55%

US Agg Bond	1.14%
US Corp Bond	1.99%
US Gov't Bond	1.33%

Commodity Prices:

Gold	1,213
Silver	16.56
Oil (WTI)	49.76

Currencies:

Dollar / Euro	1.13
Dollar / Pound	1.54
Yen / Dollar	119.01
Dollar / Canadian	.80

Current Environment - Macro Overview

U.S. stocks rose throughout the month of February propelled by lower gasoline prices and an improving job market, resulting in consumers spending more. Leading the markets so far this year, the consumer discretionary sector is considered the most sensitive to consumer expenditures and wages, impelled by contracted fuel prices and slightly higher wages.

In its latest release, the U.S. Labor Department reported the best three-month stretch of hiring since 1997, with some companies starting to give their employees raises. The robust employment numbers create the possibility that the Fed may raise rates sooner rather than later in order to stem the effects of any wage inflation.

The anticipation of the European Central Bank (ECB) beginning its quantitative easing (Q.E.) program in March has driven the yields of some European government bonds to negative yields. Sweden, Switzerland, Finland, and Germany were among countries whose bonds reached negative yields in February. A demand for safe-haven debt consequential to the Greek debt crisis also drove assets into more secure government credits.

Oil prices stabilized in February as the U.S. Energy Information Administration (EIA) reported that crude oil inventories had risen for a seventh consecutive week to their highest levels since the 1930s. Inventories are expected to continue growing as refiners undergo maintenance and U.S. production remains extremely high.

Swings in crude oil prices and a recent strike with refiners resulted in gasoline prices rising faster than they have fallen, adding to the uncertainty of where fuel prices might actually be headed.

Following a bailout from its financial crisis in 2012, Greece was once again extended funds to allow the country to operate for another four months. The four-month lifeline is contingent on Greece promising to maintain its financial reform policies originally set in place nearly three years ago.

The government expects as many as 6 million families will owe a penalty for not having health insurance in 2014. The Congressional Budget Office (CBO) estimates the average penalty per family will be approximately \$333, equating to about \$2 billion in revenue for the government.

Recently enacted rules by the Federal Reserve require banks to maintain higher reserves against large deposits and restrain them from putting those funds to more profitable use. The regulations have prompted big banks to tell customers to take their large deposits elsewhere or be hit with fees. Holding very large deposits has become very costly for banks under the new liquidity rules. Some are suggesting that the incentive for banks to lend will only diminish as deposits once used for loans are being discouraged.

Sources: Federal Reserve, EuroStat, EIA, U.S. Labor Dept., Treasury Dept.

Equity Overview - Domestic Equity Markets

Stock indices in February had assistance from lower gasoline prices, lower rates in Europe, and a quasi-resolution to the Greek debt issues.

For the month of February, the Dow Jones Industrial Average Index rose 5.6%, its best monthly gain since January 2013, while the S&P 500 Index advanced 5.5% for the month. The technology laden Nasdaq Index climbed 7.1% for the month, positioning it near levels not seen in over 14 years. The strong month follows a weak January, when U.S. equity indices suffered losses.

At the end of February, 485 companies in the S&P 500 index had reported earnings results at

a 3.7% growth rate for the quarter. Of the various sectors comprising the equity markets, consumer discretionary and technology posted the best gains for February. Demand in the consumer discretionary sector is attributable to consumers having more to spend from lower fuel prices, and technology companies are finally starting to see growth across the board.

The ratio of the U.S. stock market's value to the nation's gross domestic product (GDP) is at roughly 155% at February's end, compared to over 180% at the height of the technology boom in 2000.

Sources: Dow Jones, S&P, Bloomberg

Negative Yields In Europe, Positive Yields In The U.S. - Fixed Income Update

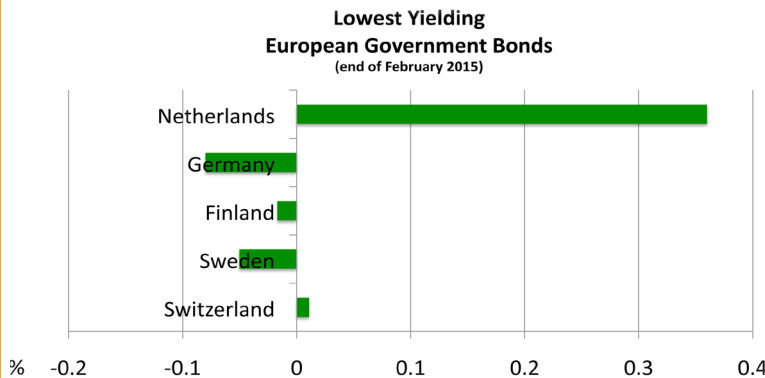
A low interest rate environment along with a devalued euro led to the convergence of several mega billion euro bond offerings by U.S. companies. Rather than selling dollar-denominated bonds in the states, large U.S. companies have been able to issue and sell sizeable bond offerings denominated in euros at extremely low rates.

Strong demand for European securities has pushed down yields on bonds in and around the eurozone after the European Central Bank's announcement that it would begin a program of government bond buying in March. The Greek debt bailout was also a catalyst leading to increased demand and lower yields. Various financially established European countries issued debt

this past month with negative yields. Switzerland borrowed for 10 years at a lower rate than any government on record, with a yield of just 0.011%. Sweden issued bonds at a negative yield for the first time, selling bonds maturing in 2019 yielding -0.0503%. Finland sold five-year debt with a coupon of 0.375%, the premium (above par) price paid was still high enough to make the yield negative. Germany sold five-year government debt with a negative yield for the first time.

A negative yielding bond means that investors pay more than the face value of a bond plus interest payments, accepting an absolute loss if they hold it to maturity. Negative yielding bonds refer to bonds in which

the price paid is higher than an investor will receive over the lifetime of a bond in coupons and repayment of the principal. Under normal circumstances, the only reason an investor would accept a loss is because they fear greater loss elsewhere. Ultra-low yields in debt markets can reflect demand for safe haven instruments, as well as concerns about economic growth or prospects for inflation.



Sources: EuroStat, Bloomberg, Reuters

Why Gas Prices Rise Faster Than They Fall - [Commodity Markets](#)

Consumers nationwide are frustrated at gasoline pumps as prices have leaped much more quickly than they have dropped. As the drop in gas prices has afforded more discretionary spending for consumers, it now adds to the uncertainty of where fuel prices might be headed.

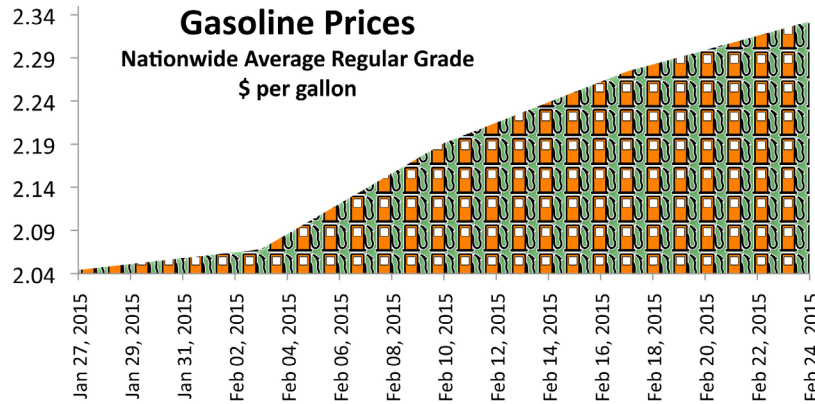
A study released by the Federal Trade Commission (FTC) in 2010 showed that gasoline retail prices rise four times faster than they fall after wholesale

price changes. The dynamics behind the price conundrum is how much gasoline stations pay for fuel and how long it takes for them to sell that fuel before wholesale prices move higher or lower.

Competition is also a factor as one station may have bought an 8,000 gallon load of gasoline the day before the decline started, in which case they'll be even slower to drop their price

since they paid a higher price. If a station isn't as willing to be competitive, it stalls other stations from dropping prices further. Stations aren't in the business to lose money, so they tend to resist dropping prices until another station does. That's why there may sometimes be four stations

on the same corner, yet selling the same grade gasoline at different prices. Refineries, inventories, and delivery times also impact the price paid at the pump as these factors may vary from station to station.



Interestingly enough, the FTC study identified that when prices are high, buyers search around to find a better deal. Immediately after prices go down though, buyers don't search as hard. This gives a cushion for the station owners to lower prices in smaller increments.

Sources: Energy Information Agency, FTC

Stockholm: A Growing Tech Epicenter - [Global Technology Review](#)



Stockholm, Sweden, has become a focal point for technology start-ups and creative new concepts, with a vast array of talent coming in from different parts of the world. Stockholm has become one of the most connected cities in the world, offering excellent 4G coverage as well as a fiber network throughout its neighborhoods. Such connectivity

is encouraging companies to establish operations in Stockholm as well as build out their talent teams and hire employees.

In addition to connectivity, Stockholm has access to a talented and skilled labor pool, where various universities now have technology focused curriculums, including Stockholm University, Royal Institute of Technology, and the University of Gothenburg.

Sources: Swedish Agency For Growth Analysis

Greece Gets A Bailout Until June - [International Update](#)

Greece has once again been afforded critical funds in order to keep its government and economy running. Greek leaders and euro member officials agreed to a €172 billion bailout through June 2015, contingent on Greece promising to maintain financial reform policies originally set in place nearly three years ago.

Should Greece exit the euro, the reemergence of the drachma, Greece's currency before adopting the euro, is not a feasible outcome for Greece or the currency markets. Some are concerned that a Greek exit from the euro may lead to other distressed euro member countries following suit and leaving the euro entirely.

Negotiations and discussions surrounding the bailout funds for Greece have elevated tensions throughout the European banking sector, currency markets, and bond markets. The bailout is essentially a loan to the Greek banking system, which provides critical liquidity to the



Greek economy. Financially prominent euro members, such as Germany, have seen their 10-year government bond yields drop to near zero, while Greece's 10-year government bond yields surpassed 10% in late February. The increase in Greek bond yields is due to the probability of Greece defaulting on its debt to the highest level since the eurozone crisis three years ago.

If Greek leaders decide not to conform to the required reform policies, euro members might cancel the loans, officially known as emergency liquidity assistance, eventually forcing Athens to implement capital controls or quit the euro system immediately.

Worry over Greek's membership in the euro has prompted the withdrawal of more than €20 billion (\$23 billion) in recent months. Most of the withdrawals have been made by citizens looking to protect what they have saved, should a run on the banks ensue.

Sources: EuroStat, Reuters, Bloomberg

How To Check On Your Tax Refund Status - [Tax Planning](#)

According to the IRS, as of February 6th the agency had issued over 19 million tax refunds worth more than \$66 billion. The average refund so far through early February is \$3,366, slightly higher than February 2014.

The majority of taxpayers are choosing to receive their refunds through direct deposit, which accounts for almost 95% of refunds so far this year. The IRS had received 27.5 million tax returns in early February, of which more than 96% were filed electronically. Accord-

ing to the IRS, the number of visitors to IRS.gov is up almost 20% compared with last year. The IRS site allows taxpayers to check the status of a refund, access transcripts of their tax returns, request electronic filing 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?" is up 91%, compared to the same time last year.

Source: IRS

*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.