Weekly Market Commentary
June 6, 2016

The Markets

Statistics means never having to say your certain, and that was certainly true last week.

The employment report, which was released on Friday, was a bit short on jobs. Analysts had predicted employers would add about 162,000 new jobs during May, according to *CNBC*. Instead, a paltry 38,000 jobs added to payrolls.

The *United States Department of Labor* focused on the fact the United States has experienced 75 consecutive months of private-sector jobs growth, as well as the significant decline in unemployment. The unemployment rate fell from 5.0 percent to 4.7 percent – but it was largely attributed to Americans leaving the labor force.

United States Secretary of Labor Thomas E. Perez commented, "At this point in a recovery, we expect to see trade-offs between job growth and strong wage growth. Earnings growth in May was encouraging. So far this year, average hourly earnings for private employees have increased 3.2 percent at an annual rate."

The anemic employment report triggered concern that U.S. economic recovery may be slowing. That, in turn, means the Federal Reserve may not implement measures designed to push interest rates higher during its June meeting. *CNBC* reported the probability of a Fed rate hike dropped from 21 percent to 4 percent after the employment report.

U.S. markets were nonplussed. Barron's reported the Standard & Poor's 500 Index finished the week flat. The Dow Jones Industrial Index moved slightly lower, and the NASDAQ showed a slight gain.

Data as of 6/3/16	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 (Domestic Stocks)	0.0%	2.7%	-0.7%	8.6%	10.1%	5.2%
Dow Jones Global ex-U.S.	0.7	0.0	-12.6	-1.0	-1.5	-0.3
10-year Treasury Note (Yield Only)	1.7	NA	2.4	2.1	3.0	5.0
Gold (per ounce)	2.0	16.8	4.2	-4.0	-4.2	6.8
Bloomberg Commodity Index	1.9	10.9	-13.7	-12.9	-12.1	-6.9
DJ Equity All REIT Total Return Index	1.0	7.6	13.7	10.2	11.3	7.0

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.

WHAT ARE YOUR WAGES WORTH? We've written about *The Economist's* Big Mac Index, which is a lighthearted way to gauge whether countries' currencies are at the correct levels – just compare the price of a hamburger in each country. At the start of the year, you could buy a Big Mac pretty cheaply in Russia ($1.53), Hong Kong ($2.48), or Taiwan ($2.08).

There are differences in how much things cost from state-to-state, too. *Pew Research Center* used federal wage data to determine which regions of the United States had the lowest and highest wages after adjusting for differences in cost-of-living:

> "As we've noted before, prices for everything from housing to groceries vary widely from place to place, with the result being that a given income can mean very different things in New York, New Orleans, or New Bern, North Carolina. To get a handle on those variations, one can use the "regional price parities," or RPPs, developed by the federal Bureau of Economic Analysis. The RPPs measure local price levels in each of the nation's 381 metropolitan statistical areas, as well as the nonmetropolitan portions of states, relative to the overall national price level."

The highest weekly wages for 3rd Quarter 2015, after adjusting for cost-of-living, were found in: 1) San Jose-Sunnyvale-Santa Clara, California, 2) California-Lexington Park, Maryland, 3) San Francisco-Oakland-Hayward, California, and 4) Seattle-Tacoma-Bellevue, Washington.

The lowest wages, after adjustment, were paid in: 1) Yakima, Washington, 2) Wenatchee, Washington, 3) Logan, Utah-Idaho, and 4) Grants Pass, Oregon.

Weekly Focus – Think About It

"The best fishermen I know try not to make the same mistakes over and over again; instead they strive to make new and interesting mistakes and to remember what they learned from them."

--John Gierach, American author (and fisherman)

Best Regards,

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* The Standard & Poor's 500 (S&P 500) is an unmanaged index. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment.
* The Dow Jones Global ex-U.S. Index covers approximately 95% of the market capitalization of the 45 developed and emerging countries included in the Index.
* 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 afternoon gold price as reported by the London Bullion Market Association. The gold price is set twice daily by the London Gold Fixing Company at 10:30 and 15:00 and is expressed in U.S. dollars per fine troy ounce.
* The Bloomberg 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.
* The DJ Equity All REIT Total Return 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.
* Economic forecasts set forth may not develop as predicted and there can be no guarantee that strategies promoted will be successful.
* Past performance does not guarantee future results. Investing involves risk, including loss of principal.
* You cannot invest directly in an index.
* Consult your financial professional before making any investment decision.
* Stock investing involves risk including loss of principal.

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