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## Look Back—1st Quarter 2015

## JIM'S JOURNAL

*“There have been three great inventions since the beginning of time: Fire, the wheel, and central banking.” – Will Rogers (American humorist and showman, 1879-1935)*

For those who are of the baby boomer generation or older, you are probably familiar with the name Will Rogers. For those not familiar with this beloved icon of yesteryear, William Penn Adair "Will" Rogers was part Native American cowboy, a vaudeville performer, humorist, social commentator and motion picture actor. He was one of the world's most famous stars in the 1920s and 1930s. Roger's often inspirational and always thought provoking quotes provide a unique commentary on the era in which he lived and his wisdom carries over into our twenty-first century.

The quote at the beginning of this article is as true today and in the last few years as it was back in his time. Central bankers have been ruling our world and especially our stock markets for the last several years with monetary manipulation and stimulus packages. First, it was quantitative easing and low interest rates in the United States. Now, with U.S. stimulus ending in October 2014 and interest rates set to rise in the near future, Japan, the European Union and China, are each embarking on their own versions of economic stimulus and interest rate cuts. Whatever happened to the “free market” and “supply and demand” economies I grew up learning about? Government planned economies were something that the Russians and Soviet Bloc countries did. Maybe I missed that economics class lecture on government manipulation while attending Michigan State. That lecture was probably on a Friday afternoon when there was a kegger at the fraternity house...

Anyway, to finish up with Will Rogers, I have always thought that the quote, “I am more concerned with the return of my money than the return on my money?” was a quote from Will Rogers. As I discovered doing research for this article, the quote is originally from Samuel Langhorne Clemens (November 30, 1835 – April 21, 1910), perhaps more familiar to us as Mark Twain. You can learn something new everyday.

After strong gains for large company stocks in 2014 that were due primarily to a continuation of the Federal Reserve stimulus programs (ended in October 2014), expectations were still very high for more gains in the first quarter 2015. However, while there were gains in the DOW and S&P500 in the first quarter, the gains were relatively small. Although not a record quarter, the NASDAQ was the clear winner for January, February and March (See totals below). In what could be a bad omen, the DOW, S&P500 and NASDAQ were all negative at the end of January. Historically, this had led to more down years than not in the market.

After the January downturn, the month of February rebounded with some gusto but many of those strong returns were lost in March. Without the stimulus of the Federal Reserve and with the specter of rising interest rates on the horizon, the quarter ended “not with a bang but a whimper” as volatility and direction changes returned with a vengeance to the U.S. markets.

The final tally of the first quarter 2015 saw the DOW up +.3%, the S&P500 up +1.0% and the NASDAQ ahead +3.5%. The broad market Dow Jones Total Stock Market Index was also up +1.8%. On the mutual side of investing, the Average U.S. Stock Mutual Fund was up +2.5% in the first three months of 2015. This average was pumped up not by large company stocks as in the past few years but by small and mid-size growth stocks. The Health/Biotechnology sector kept up its torrid pace of the last year with a first quarter return of +11.5%. Its closest rival was the Real Estate Sector with a return of +4.3%. The most productive bond category was the High-Yield taxable sector with a return of +2.2%; however, the Average Taxable Bond Fund was up only 1.2% for the first quarter 2015. (Source: Wall Street Journal 4-7-2015).

This past February, Cecelia and I had the good fortune of spending a week in the sunshine of Loreto, Mexico on an eco-tour. Loreto is located about five hours north of Cabo San Lucas on the Baja peninsula. It is an off-the-beaten path location with only one (yes one) international flight per day landing at the airport. Not a lot of English spoken but a very friendly atmosphere. The three pictures of whales on the back page were taken on a whale watching tour we took on Magdalena Bay, Mexico. We came within five to ten feet of these magnificent creatures and saw several mother/calf combinations leisurely swimming about. It was a very exciting day for us. Hope that you enjoy the pictures. The picture of me with the Lions Club banner was taken at a pancake benefit breakfast for Penrickton Center for Blind Children. Cecelia and I volunteered as food servers for the event. And finally, Haas Financial Services is pleased to be a recipient of a 2015 Best of Southfield Award for small business in the category of Registered Investment Advisor. Take good care!!!

*Press Release*

**Haas Financial Services Inc. Receives 2015 Best of Southfield Award**

Southfield Award Program Honors the Achievement

SOUTHFIELD April 3, 2015 -- **Haas Financial Services Inc.** has been selected for the 2015 Best of Southfield Award in the Registered Investment Advisor category by the Southfield Award Program.

Each year, the Southfield Award Program identifies companies that we believe have achieved exceptional marketing success in their local community and business category. These are local companies that enhance the positive image of small business through service to their customers and our community. These exceptional companies help make the Southfield area a great place to live, work and play.

Various sources of information were gathered and analyzed to choose the winners in each category. The 2015 Southfield Award Program focuses on quality, not quantity. Winners are determined based on the information gathered both internally by the Southfield Award Program and data provided by third parties.

About Southfield Award Program

The Southfield Award Program is an annual awards program honoring the achievements and accomplishments of local businesses throughout the Southfield area. Recognition is given to those companies that have shown the ability to use their best practices and implemented programs to generate competitive advantages and long-term value.

The Southfield Award Program was established to recognize the best of local businesses in our community. Our organization works exclusively with local business owners, trade groups, professional associations and other business advertising and marketing groups. Our mission is to recognize the small business community's contributions to the U.S. economy.

*SOURCE: Southfield Award Program*



Tails to Tell a Tale about.....



Mother & calf swimming together. WOW

LIONS CLUB  
Fund Raiser for  
Pickrickton  
Center for  
Blind  
February 2015



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