

# Capital Markets Commentary: March 2015

The U.S. stock market saw mixed results in the first quarter. Stocks sold off in January, but then rebounded enough to push the S&P 500 to a gain of about 1% at quarter end. Growth stocks were in favor throughout the quarter, as growth indexes handily outperformed value indices. The tech-heavy NASDAQ composite gained 3.8% for the quarter, hitting the 5,000 level for the first time since early 2000.

Small Cap and International stocks outperformed Large Cap domestic stocks during the quarter, each rebounding from disappointing results in 2014. The Russell 2000 Small Cap Stock Index gained 4.3% in the 1st quarter, while the MSCI EAFE International Stock Index gained 5%.

Interest rates again moved lower during the 1st quarter. After beginning the year at 2.2%, the 10 year treasury note yield fell to 1.64% at the end of January before rebounding to end the quarter at 1.92%. The Barclays Aggregate Bond Index returned 1.6% for the quarter.

Healthcare and Consumer Discretionary were the two best performing sectors in the market in the 4th quarter, while Energy and Utilities were the worst performing sectors. Strong performance from the biotech stocks helped the Healthcare sector. Oil prices continued to weigh on the Energy sector, as crude oil moved below \$50 per barrel.

