



## GOODBYE WINTER

*For six full years we have enjoyed a bull market, and we are happy to report that it's still a stock picker's market in the States. Not so around the globe, where the conflict in Yemen and pressure from Putin keep Oil prices obstinately low.*

*Bonds are also thriving as interest rates remain low and yield-seeking is rampant. The US Greenback has rallied to the extent \$1 is worth about €1 Euro. Therefore it is appropriate to harvest gains aggressively and embrace the startling new investments that present themselves everyday as science and technology continue to amaze investors.*

### ENERGY & INTEREST RATES

Low interest rates and cheap energy are having a positive impact on the US economy. American consumers are in solid shape paying less at the pump and less to borrow money. Janet Yellen's leadership at the Federal Reserve Bank is replicating the patience of Job. We expect THE FED to raise interest rates by the end of Summer which will be the first rate jump since 2008 when the financial crisis wrought havoc. It's clear, both stocks and bonds like the cadence. We also anticipate Merger & Acquisitions to pick up in the Energy space as the oil price decline has created some bargains.

### INCOME INVESTING *by Matt Weaver*



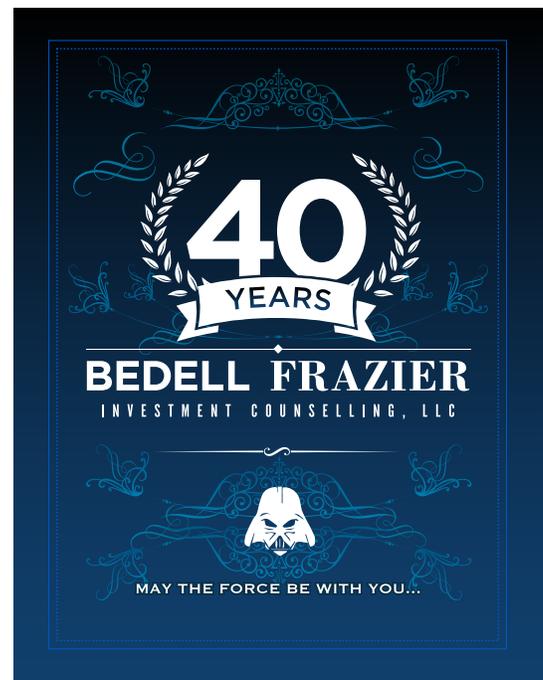
Financial stocks should come to life as their profitability improves resulting from rising interest rates. Following the financial crisis of 2008, bank stock dividends were constrained by government regulations. Now dividends are free to rise thanks to improving balance sheets. The best thing about rising dividends is their tax advantage! Qualified dividends are taxed at a lower rate than ordinary income which is especially salient during tax season!



[Click here to view Matt Weaver's new "Bonds" segment.](#)

### TECH

Technology and Biotech stocks have been making us money for years! We plan to stay the course in 2015. "If it's not broke, don't fix it" is a motto that seldom fails. Wearable digital devices are the latest gadgets helping Americans to live longer and healthier. During the first quarter of this year biotech leapt 21%.





## Economics 101 *by Debbie Mitchell, CFA, CFP*

2015 witnessed some impressive gains in the labor market. Over 200,000 jobs were added consecutively each month for the past twelve months! This steady creation of jobs is reflected in the lowest unemployment level since 2008 at 5.5%!

Another key gauge of economic growth is the housing market. Housing numbers are known to vacillate month to month.

February housing starts reported a significant miss, existing home sales fell sluggish, yet new home sales surged to a seven year high. Housing market data must firm up before the economy takes off with conviction. The National Association of Home Builders is on record expecting strong housing market gains in the months ahead. The US economy is not yet out of the woods but progress is being made. We expect continued improvement as we enter mid-2015.



## Consumer Corner: The Sharing Economy

*by Meredith Rosen, Partner*

Got extra room in your car or apartment you are not using? Got a spare office in your suite? Welcome to the SHARING ECONOMY where untapped resources are maximized.

Millennials, the generation aged 18 to 34, represent the largest percentage of our US population. There are more Millennials than Baby Boomers! Access trumps ownership as Millennials are happy to rent cars, by the day or by the ride as opposed to own one. UBER anyone? They feel a sense of freedom by sharing because they do not have the burdens of ownership such as maintenance expenses.

How and where Millennials buy is different from their parents. The Sharing Economy is fueled by previously un-exploited underground economies. What was once referred to as a "gypsy cab" is now a ride share. Social media is a critical part of the sharing economy. Rating systems "validate" users and allow customers to refer favorites to their friends. The sharing economy is lowering the barriers-to-entry for new businesses which creates jobs and fosters growth. More to come as this consumer phenomenon marches forward.



## Charting The Markets

*by Mike Harris, CMT, Partner*

Since 2008, interest rates have experienced THREE major shifts. As 10-year bond yields DROPPED from 5% in 2007 to under 2% today, future moves were pre-cursed. The following chart illustrates that the next move should bring rates above 2% in its quest to return to "normal" levels. This cannot happen overnight but we intend to be prepared for this move and take appropriate measures in your bond and income portfolios.

10-Yr. Treasury Yield



[Click here to view Mike Harris' new "Charting" segment.](#)

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