

### January adds a chill to the air and the markets

Stock markets kicked off the new year with fireworks of a different kind, long after New Year's celebrations were over. The global and domestic stock indices stumbled in the first few weeks of the month, plagued by a slowdown in Chinese economic growth, geopolitical tensions, a decline in the price of crude oil and a cooler U.S. economy. After several tumultuous weeks, the S&P 500, Nasdaq and Dow Jones Industrial Average began to perk up toward the end of January but not enough to climb out of the hole for the month.

	12/31/15 Close	1/29/16 Close	Change	Gain/Loss
DJIA	17,425.03	16,466.30	-958.73	-5.50%
NASDAQ	5,007.41	4,613.95	-393.46	-7.86%
S&P 500	2,043.94	1,940.24	-103.70	-5.07%
MSCI EAFE	1,716.28	1,591.46	-124.82	-7.27%

Performance reflects price returns as of market close on Jan. 29, 2015.

On the economic front, real gross domestic product rose at a 0.7% annual rate in the initial estimate for the fourth quarter, reflecting drags from foreign trade and slower inventory growth. Domestic demand was moderately strong, at a 1.8% pace, reflecting a slowdown in consumer spending growth, further improvement in homebuilding, and a mild contraction in business fixed investment (mostly energy-related and transportation equipment).

In its most recent policy statement, the Federal Open Market Committee acknowledged the slower economic growth in late 2015, but also pointed to further improvement in the labor market. Nonfarm payrolls averaged a 282,000 monthly gain in 4Q15, while the unemployment rate fell to 5.0%. Despite these bright spots, global economic and financial concerns continued to weigh on market sentiment. While remaining optimistic about the prospects for the U.S. economy, Fed policymakers noted downside risks from the rest of the world.

Raymond James Chief Economist Scott Brown cautions that slower growth isn't the same as a contraction. He sees potential for moderate long-term growth in the U.S. economy and further improvement in the job market in 2016. However, global conditions bear watching closely. Mike Gibbs, managing director of Equity Portfolio & Technical Strategy for Raymond James, believes the years-long bull market is being tested by several factors, but still has life left in it.

I'll continue to monitor the issues at hand and pay close attention to the latest economic data, as well as price fluctuations in the markets. And, I'll be sure to let you know if any of these trends presents a buying opportunity for you or could affect your long-term financial plan.

In the meantime, please feel free to call me if you have any questions. I look forward to speaking with you.

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