



Take control of your finances. Don't do it alone.

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### 12/31/14 Year End Economic Update

Despite the dip from November to December, **2014 was another good year for the US stock market**. Not quite the 26%+ bull of 2013, but with the different indexes up 8-13% there's nothing to complain about.

=> **Bonds: Confused?** Short term interest rates ended higher for the year, but hardly high. Longer bond rates keep going down. If you're using bonds to create retirement income right now, then you're in for a challenge.

#### => Good News/ Bad News?

- **Oil:** The **US** is producing more oil and **moving towards energy independence**. But instead of causing oil production to slow in the rest of the world, it's **caused oil prices to plummet**. Enjoy the savings in your pockets right now. Sustained low prices might make some of our new oil production cost prohibitive... again, and cause us to go back to getting our oil elsewhere.

- **Jobs: US employment rates are back up** to pre-recession levels, but hours and wages are not.

- **Housing:** Mortgage rates remain low. Some booming metropolises (Miami & Silicon Valley) are at pre-crisis like prices, but many of the smaller/rural real estate areas of the country have made little ground.

The rest of the world did not fare so well...

=> **Russia:** PM Putin's failed takeover of Ukraine, dropping oil prices and ultimately his policies sent the **ruble crashing**. Aside from blaming the evil West, he doesn't appear to be doing much to put it back together again.

=> **Japan:** We had such high hopes for you, but no real signs of movement yet.

=> **China:** Still has a growing economy (thank goodness!), but **getting slower** all the time.

=> **Europe:** The Euro still exists and so do the problems surrounding it. **Economic growth remains stalled**.

For now, the US is still a better bet than most. Our currency is killing it, so go take that foreign vacation. The big correction? Domsayers have been predicting it for at least two years, and by design the market does not always go straight up. Strategy: Keep your long term money in long term investments and your short term money in short term investments. You'll sleep better at night, too. **HAPPY NEW YEAR!!!** - Anita

	Current Month	Prior Quarter	4th Quarter	Prior Year	1 Year	52 Week	
	Dec-2014	Sep-2014	% Change	Dec-2013	% Change	High	Low
<b>Dow</b>	17,823.07	17,042.90	5%	16,576.66	8%	18,103.45	15,340.69
<b>S&amp;P 500</b>	2,058.90	1,972.29	4%	1,848.36	11%	2,093.55	1,737.92
<b>NASDAQ</b>	4,736.05	4,493.39	5%	4,176.59	13%	4,814.95	3,946.03
<i>Commodity Prices</i>							
<b>gold</b>	1,183.20	1,206.90	-2%	1,221.50	-3%	1,381.30	1,143.30
<b>silver</b>	15.69	17.31	-9%	18.88	-17%	22.15	14.16
<b>oil</b>	53.71	91.54	-41%	98.70	-46%	101.18	53.61
<i>Yield</i>							
<b>2 Year Treasury</b>	0.67%	0.58%	16%	0.38%	76%	0.75%	0.30%
<b>10 Year Treasury</b>	2.17%	2.50%	-13%	3.03%	-28%	3.03%	2.05%
<b>30 Year Treasury</b>	2.74%	3.21%	-15%	3.97%	-31%	3.97%	2.69%
<i>Currencies</i>							
<b>USD/Euro</b>	1.21	1.26	-4%	1.38	-12%	1.40	1.21
<b>Yen/USD</b>	119.72	109.65	9%	105.31	14%	121.68	100.97
<i>Interest Rates</i>							
<b>Prime</b>	3.25%	3.25%	0%	3.25%	0%	3.25%	3.25%
<b>30 Yr Mortgage</b>	4.04%	4.22%	-4%	4.68%	-14%	4.83%	3.81%

Data source: [www.WSJ.com](http://www.WSJ.com)

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