



# Bell Tower Associates

## Monthly Review

July 8, 2015

### 3 THINGS TO KNOW

- **CPI:** Increased **0.4%** in May, 2015 on a **seasonally adjusted** basis, up from **0.1%** in April.
- **Trade:** The United States **trade deficit** increased to **2.6%** of current Gross Domestic Product in the first quarter.
- **Euro:** The **euro** also took a hit, ending the month of June down as low as **1.11** relative to the **dollar**.

### Quote of the Month

*“Circumstances rule men; men do not rule circumstances”*  
~ Herodotus

### U.S. Economic Update

**P**oor first quarter numbers and anxiety about the shrinking of the economy still dominates the discussion of **United States economics**. On June 30, **President Obama’s administration** released a plan to increase **overtime pay** for **salaried workers** by increasing the **eligibility** to \$50,440. Various numbers came out in June about the state of the United States economy in the **first quarter** and in May.

- **CPI:** While the CPI increased 0.4% in May, the **gasoline index** rose **10.4%** while the **food index** did not change for the second month in a row.
- **GDP:** Gross Domestic Product for the first quarter of 2015, the third estimate, decreased at an annual rate of 0.2%. Imports, exports, negative nonresidential fixed investment, and state and local government spending were responsible for the negative number.
- **S&P 500:** The S&P 500 Index posted a -1.94% total return for the month of June, contrasting the 1.29% of the previous month of May. The S&P closed on the month at 2063.11; 44.28 less than the previous month at 2107.39.
- **Workplace:** In 2014, on days they worked, 23% of employed persons did some or all of their work at home, and 85% did some or all of their work at their workplace, a 4% increase from 2003, when the numbers were first calculated.

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## Global Economic Update

Greece is in the spotlight for this month. The “Second Greek Bailout” expired on June 30, and Greece was unable to make its payment for the month. A deal between **Tsipras**, Prime Minister of Greece, and the **European Community** had been in the discussion until Tsipras called for a Greek referendum for accepting the deal offered by the European Community. Greek uncertainty caused the euro to weaken against the dollar mid-June, and ended on June 30 at 1.12.

The head of the **Swiss National Bank** claims that it interfered in **foreign exchange markets** after Greece’s **capital controls** and **bank closings** in order to lower its own currency in the face of the dramatic rise it saw after removing the **price caps** in January 2015.

### European Economic Situation:

**Gross Domestic Product** for the **first quarter** of 2015, the second estimate, shows that the **Eurozone** grew at a rate of **0.4%**, with **France** and **Hungary** seeing the highest **growth** at **0.7%** and **0.8%** respectively. The major players in the European Union, such as **Germany**, did not see such good numbers at **0.3%**. Populations all across Europe are increasingly upset with the situation in Greece, as workers in the rest of the Union do not want to see their productivity going to into a **Greek bailout**.

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## Global Market Update

