

## LPL Financial Research Publishes Midyear Investment Outlook 2015

### Outlook Features Economic and Markets Forecasts and Investments Insights

BOSTON, June 16, 2015 (GLOBE NEWSWIRE) -- [LPL Financial](#) LLC, the nation's largest independent broker-dealer,\* a custodian for registered investment advisors (RIA), and a wholly owned subsidiary of LPL Financial Holdings Inc. (Nasdaq:LPLA), today announced that its research publication, *Midyear Outlook 2015: Some Assembly Required*, is now available for download. Published by LPL Financial's Research department ("LPL Research"), the publication contains economic, market and investment insights for the remainder of 2015.

LPL Research has compiled timely advice into its *Midyear Outlook 2015* publication. The theme, "Some Assembly Required," highlights the complex global economy and the necessity of today's investors to put it all together when assembling portfolio strategies in a market that remains in transition.

Significant investment considerations from LPL Research for the remainder of 2015 include:

- **The U.S. economy:** We expect that economic expansion is likely entering its latter half, which we believe will be marked by strong economic growth, but also the potential for rising inflation, accelerating wage growth and eventual Federal Reserve (Fed) rate hikes.
- **Federal Reserve:** We believe actions by the Fed to exit its zero interest rate and accommodative monetary policies appear to be on the horizon for later this year. Assuming that we attain our forecasted 3 percent gross domestic product (GDP) growth rate over the remainder of 2015, which may push inflation toward 2 percent, we would anticipate action by the Fed at the end of 2015.
- **Global growth:** We believe overseas monetary policies enacted in 2014 and early 2015—and those that we expect are still to come over the remainder of 2015—are the potential big drivers of global growth, impacting most of the world's largest economies outside of the U.S.

Against this backdrop, LPL Research forecasts the following within the report:

LPL Research continues to expect that the U.S. economy will expand at a rate of 3 percent or slightly higher over the remainder of 2015, matching the average growth rate of the last 50 years, and supported by areas of the economy that focus on "good old American know-how." If our forecast of 3.0+ percent GDP growth over the remainder of 2015 is met, the economy will enter its seventh year of expansion, and by the end of the year would become the fourth-longest economic expansion since World War II (WWII) at 78 months. The current recovery is already longer than the average economic recovery duration of 58 months.

LPL Research remains confident in our forecast for 5-9 percent total return for the S&P 500 Index for 2015, although reaching that target will require a boost from better corporate profits. We believe the low end of our prior 5-10 percent S&P 500 earnings growth forecast may still be achievable, but it will require better growth, stable profit margins and share buybacks. Our forecast is in-line with the long-term average 7-9 percent annual gain for stocks, based on the S&P 500 Index since WWII. We expect the economic expansion may last through 2015 and well beyond, supporting the continuation of the bull market into 2016.

LPL Research continues to expect roughly flat bond returns as the choppy market environment witnessed over the first half of 2015 lingers. A modest rise in bond yields over the course of 2015 is expected; however, a low-return environment is likely to dominate bond markets for the rest of 2015 and beyond.

"As the theme of our *Midyear Outlook 2015* suggests, the assembly of disparate investment ideas to a well-constructed portfolio is what separates mere investing from portfolio management," said LPL Chief Investment Officer Burt White. "Within the publication, we make a point to examine *how* versus *why* we diversify. Diversification did not help portfolio returns in 2014, but the beginning of 2015 witnessed the return of diversification benefits. With volatility poised to rise in the second half of 2015, the potential benefits of diversification—greater portfolio returns with a smoother ride—should hopefully continue to materialize." White continued, "Diversification, along with the patience and commitment to a financial plan, remains the very best weapon to weather volatile and uncertain market conditions."

"Good research can become great advice, depending on how you showcase it," said White in describing the thematic approach that the *Outlook* publications take. "I am very proud of the design efforts of our Research team, led by Creative Director Joseph Guidry. His vision and talented team are true differentiators."

LPL Research was recently recognized for its design capabilities by the Association of Marketing and Communications

Professionals (AMCP), which honored the team with 10 Hermes Creative Awards in 2015. The team was recognized for excellence across a wide spectrum of work, including its flagship publications and infographics.

The full publication is available on the firm's website:

[http://lplfinancial.lpl.com/Documents/ResearchPublications/Midyear\\_Outlook\\_2015.pdf](http://lplfinancial.lpl.com/Documents/ResearchPublications/Midyear_Outlook_2015.pdf)

\*Based on total revenue, *Financial Planning* magazine, June 1996-2015

### **About LPL Research**

LPL Financial's Research department ("LPL Research"), led by Managing Director and Chief Investment Officer Burt White, provides strategic, objective investment insights to advisors who leverage LPL Financial's Research platforms. The group's mission is to be a trusted partner to our advisors, who in turn provide investors with choices to help meet their financial goals. The team provides those advisors with market, investment management, portfolio construction, and due diligence advice. LPL Research's *Outlook* publications, produced semiannually, serve as the backdrop for all the team's investment recommendations and communications efforts for the year ahead.

### **About LPL Financial**

LPL Financial, a wholly owned subsidiary of LPL Financial Holdings Inc. (Nasdaq:LPLA), is a leader in the financial advice market and serves \$485 billion in retail assets. The Company provides proprietary technology, comprehensive clearing and compliance services, practice management programs and training, and independent research to more than 14,000 independent financial advisors and more than 700 banks and credit unions. LPL Financial is the nation's largest independent broker-dealer since 1996 (based on total revenue, *Financial Planning* magazine, June 1996-2015), is one of the fastest growing RIA custodians with \$105 billion in retail assets served, and acts as an independent consultant to over an estimated 40,000 retirement plans with an estimated \$120 billion in retirement plan assets served, as of March 31, 2015. In addition, LPL Financial supports approximately 4,300 financial advisors licensed with insurance companies by providing customized clearing, advisory platforms, and technology solutions. LPL Financial and its affiliates have 3,352 employees with primary offices in Boston, Charlotte, and San Diego. For more information, please visit [www.lpl.com](http://www.lpl.com).

### **Important Risks**

Economic forecasts set forth may not develop as predicted.

High-yield bonds are subject to higher interest rates, credit, and liquidity risks than those graded BBB and above. They generally should be part of a diversified portfolio for sophisticated investors.

Bonds are subject to market and interest rate risk if sold prior to maturity. Bond values will decline as interest rates rise and bonds are subject to availability and change in price.

Stock investing involves risk including loss of principal.

Indexes are unmanaged and cannot be invested into directly. Past performance is no guarantee of future results.

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