Beginning this month I'm going to change the frequency of the Commentary from monthly to quarterly. However, I intend to publish "special" commentaries if we have unusual events within the economy and/or the market in between quarterly letters.

The S&P 500 sustained its first calendar month loss of the year in June: down 1.5%. As a note: nearly half of the monthly loss occurred during the last sixty seconds of trading on Friday the 30th when Russell entered trades to balance its indexes. In spite of the small sell off, the S&P 500 is up 12.6% for the first six months of the year.

The change in momentum began on June 19th when the Federal Reserve announced that it is prepared to slow down its monthly purchase of bonds in the open market "if" the economy continues to gain strength. In spite of the fact that the Federal Reserve's announcement was exactly in line with expectations, the short-term traders began taking profit and got the June correction started.

While the market traditionally doesn't like rising interest rates, moving from historically low interest rates to normal levels should not stop the market from continuing the upward trend that began in the spring of 2009.

Our economy is in fact gaining strength: pending home sales jumped to a six-year high; home prices increased 12% on a year-over-year comparison and consumer confidence is now at a post-recession high.

Gold prices continued to plunge last month, down another 14%. I've noticed that the TV commercials advertising gold as the best investment of the decade are no longer airing.

Looking forward I expect our economy to continue gain strength which will bode well for the stock market for the remainder of 2013 and into 2014.

Happy 4th of July!

Tom