

[Martone Capital Management: Weekly Investment Commentary \(7/8/2015\)](#)

Last week was dominated by a widespread aversion to risk, a function primarily of increasing worries over Greece, with most equity markets falling and so-called "safe haven" bonds rallying.

Still, most of the selling was confined to last Monday following the unexpected announcement of a Greek referendum. And although volatility rose, the decline was orderly and modest relative to past incidents. While the market is likely to experience further selling as investors digest the chaotic situation in Greece, a still benign monetary environment and low bond yields should mitigate the size of any correction.

We don't believe that the outcome in Greece poses a longer-term threat to the global economy or financial markets. Perhaps more important for U.S.-based investors will be the outcome of second-quarter earnings. With estimates coming down aggressively, the U.S. economy recovering and dollar strength moderating, companies should have an easier time beating estimates this quarter.

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