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MARKET MATTERS: All's (somewhat) quiet on the market front, and that's a good thing

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The first quarter of 2016 ended on a relatively quiet note, considering the year started off with some major market fluctuations. That could be thanks to a significant number of economic indicators at the end of the quarter that seemed to reassure investors.

Even so, the market was jittery early this week with concerns about the approaching earnings season as well as the future of oil prices.

Despite the selloff in January and February, the quarter ended with the market just about back where it had started. Fears about changes to the nation's monetary policy were eased somewhat, and key national economic indicators were better than expected, leading to a first-quarter increase of 1.5 percent for the Dow Industrials, while the S&P 500 stocks rose 0.8 percent.

One of the better indicators of stability and improving market conditions was evident in the recovery of some market segments that were hit earlier in the quarter, including telecommunications and utilities. Meanwhile, by the end of the quarter, oil prices had gained more than 40 percent from their 2016 lows, despite slipping a bit over the past few days.

With oil supply levels expected to remain constant in the face of comparably stable demand, it is unlikely prices will spike upwards any time soon, despite jitters over the past few days. There is a meeting this month of major oil producing nations, but many analysts expect the situation to remain essentially unchanged.

The consumer confidence report issued just before the end of the month also rebounded a bit, showing that American consumers may be less fearful of a near-term recession. The index climbed to 96.2 last month, exceeding expectations set by the Wall Street forecast.

Immediately after the quarter ended, the U.S. Labor Department jobs report came out with more good news. The report showed that nonfarm payrolls increased to 215,000, more than the estimates of 200,000. In addition, the unemployment rate remained stable at 5.0 percent, compared to 4.9 percent the previous month. Analysts noted that more people are seeking employment, a sign of confidence in the jobs market and the overall economy.

Despite the overall gains, the manufacturing sector lost 29,000 jobs, while health care, leisure and hospitality, and retailing each gained more than 40,000 jobs in March. Right behind the top sectors were construction and professional and business services, with both sectors adding more than 30,000 jobs.

Although much of the news that provided the foundation for the market rebound was positive in nature, there are some factors that affect the market that are outside of our control.

Following the terrorist bombings in Brussels, about a dozen Greenwich High School German language students cancelled an April 8-17 trip to Germany and Austria. This is just one example of how an international event can impact different industries, specifically travel and tourism in this case.

Some analysts are also concerned that the attacks could result in new roadblocks to cross-border commerce and further doubts surrounding the sustainability of the Euro, but thus far are not predicting long-term impacts on the markets.

One additional bit of good news for investors just before the quarter ended was the announcement by Janet Yellen, Chairman of the Federal Reserve, that the Fed would "proceed cautiously," with any changes to monetary policy in the near future. Yellen said that the best policy is “greater gradualism” and that only gradual increases in the federal funds rate are likely to be warranted in coming years.

Considering the positive trend across much of the economy, investors might consider focusing on companies with attractive valuations, strong free cash flow, capital discipline and growing dividends, with financials and industrials as preferred sectors.

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