



# WEEKLY MARKET WRAP

## REVIEW & PREVIEW

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After a rocky start to the New Year, stocks rallied off the mat this week following hints that the European Central Bank will add more stimulus and a rebound in oil prices on Thursday and Friday. This week brings another full week of earnings reports, highlighted by Apple's earnings on Tuesday, and the FOMC meeting with policy announcement on Wednesday.

- **Economic Update:** Consumer Prices fell another 0.1% in December, and housing starts and permits both fell in December. Jobless claims rose 10K to 293K, the highest level since July. The Conference Board Leading Economic Indicators fell 0.2% in December after gains in both October and November. *The initial 4<sup>th</sup> quarter GDP release on Friday could come in at less than 1.0%.*
- **Correction Number 4:** The bull market for the S&P 500 is in its 83<sup>rd</sup> month, having gained 226% since bottoming out on March 9, 2009. Since then the S&P 500 has experienced 4 corrections, the most recent being the 11.9% decline through Wednesday, January 20<sup>th</sup>.
- **Investors Tolerance for Corrections:** A recent Wells Fargo/Gallup Investor survey suggests most investors are holding up during the recent correction. 25% of investors have a high tolerance for 5-10% corrections, while 56% have a moderate tolerance, while just 18% have little or no tolerance for corrections according to the survey.
- **Russia's GDP Sees Big Drop:** The Russian economy contracted 3.7% in 2015, making for the biggest drop in six years, according to Financial Times. The weakness in Russia comes as a result of the sharp drop in oil prices and the economic sanctions imposed by the West for the Ukrainian conflict.
- **Independent Presidential Bid?** Former New York City Mayor Michael Bloomberg is seriously considering a run for president as an independent, driven by the unlikely success of Donald Trump, along with polls suggesting Hillary Clinton's campaign may be flagging. Bloomberg has set a deadline for making a final decision for early March.
- **Carl's Corner:** No Charlotte based team has ever won a Championship in one of the Major 4 Leagues (MLB, NFL, NBA, NHL). The Carolina Hurricanes won the Stanley Cup in 2006, but they are based out of Raleigh.

<i>Index/Portfolio Returns</i>	<i>% Change Week</i>	<i>% Change QTD</i>	<i>% Change YTD</i>
Barclays Aggregate Bond	-0.12	0.86	0.86
Barclays High Yield Bond	0.12	-2.71	-2.71
Barclays Glb Agg Bond	-0.45	0.52	0.52
JPM Emerging Mkts Bond	0.69	-1.29	-1.29
S&P Equity 500 Index	1.43	-6.61	-6.61
Russell 3000 All Cap Index	1.37	-7.20	-7.20
Russell 2000 Small Cap Index	1.29	-10.10	-10.10
NASDAQ Composite	2.29	-8.29	-8.29
S&P Global BMI	0.83	-8.10	-8.10
MSCI EAFE Index	0.21	-8.60	-8.60
MSCI EAFE Small Cap	-0.99	-9.80	-9.80
MSCI Emerging Markets	0.21	-10.49	-10.49

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