



WEEKLY MARKET WRAP

REVIEW & PREVIEW

February 1, 2016

VOLUME 23, ISSUE 5

Stocks finished up for the week but finished the month with the worst January decline since 2010. Corporate earnings continue to be essentially flat, though in-line with expectations. Oil prices and energy stocks continue to be a source of market volatility, and election uncertainty is gearing up for the year. Bank of Japan surprised the market by sending key interest rates negative on Friday.

- Economic Update:** The preliminary 4th quarter Gross Domestic Product (GDP) release showed the U.S. economy grew by just 0.7% during the 4th quarter. Economic growth is expected to pick up during the 1st quarter, but Moody's Risk of Recession Indicator increased to 16% last week. Home prices remained steady, rising 6% year over year, and the Conference Board Consumer Confidence Index rose to 98.1, the second monthly increase. Jobless claims resumed their downward trend falling to 278K on the week.
- Bank of Japan Moves:** The Bank of Japan joined the negative interest rate club, changing its interest rate on excess bank reserve deposits to -0.10%, as both Europe and Japan battle deflationary forces and seek to expand credit in their economies. Japanese stocks rallied on the news.
- Oil Assets for Sale:** Energy stocks rallied on rumors of Russia and OPEC discussions of production cuts. Russia is also discussing privatization of seven major state owned companies in an attempt to replace dwindling oil revenues. Saudi Arabia is also considering an IPO for its state owned oil company Saudi Aramco.
- IPOs Disappear in January:** The January decline in stock markets put a freeze on Initial Public Offerings (IPOs) during the month. It was the first month of no IPO offerings since 2011.
- WHO Declares Zika Virus Global Health Emergency:** The World Health Organization declared the Zika Virus a global health emergency. The virus causes birth defects and has spread to 22 Latin America countries, and is centered in Brazil, site of the 2016 Olympics.
- Carl's Corner:** In regards to Passing Yards in a single Super Bowl game, Kurt Warner ranks 1st, 2nd, and 3rd all-time (414 yards in Super Bowl XXXIV, 377 in Super Bowl XLIII, and 365 in Super Bowl XXXVI).

<i>Index/Portfolio Returns</i>	<i>% Change Week</i>	<i>% Change QTD</i>	<i>% Change YTD</i>
Barclays Aggregate Bond	0.52	1.38	1.38
Barclays High Yield Bond	1.14	-1.61	-1.61
Barclays Glb Agg Bond	0.34	0.87	0.87
JPM Emerging Mkts Bond	1.11	-0.20	-0.20
S&P Equity 500 Index	1.77	-4.96	-4.96
Russell 3000 All Cap Index	1.68	-5.64	-5.64
Russell 2000 Small Cap Index	1.46	-8.79	-8.79
NASDAQ Composite	0.51	-7.82	-7.82
S&P Global BMI	1.92	-6.34	-6.34
MSCI EAFE Index	1.50	-7.23	-7.23
MSCI EAFE Small Cap	2.15	-7.86	-7.86
MSCI Emerging Markets	4.48	-6.49	-6.49

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