



# WEEKLY MARKET WRAP

## REVIEW & PREVIEW

March 21, 2016

VOLUME 23, ISSUE 10

Stocks added to gains last week following dovish commentary from the FOMC meeting on Wednesday. This week brings another short-trading week, with the markets closed on Good Friday, 4<sup>th</sup> quarter earnings in the books, and a very light economic calendar capped by final 4<sup>th</sup> quarter GDP release on Friday.

- Economic Update:** Retail sales remains sluggish, off 0.1% in February. Inflation is increasing again with core CPI up 2.3% year over year and core PPI up 1.3% year over year. Fed manufacturing surveys positive, though industrial production fell 0.5% month over month in February. Single family housing starts rose 7.2% and the job openings in the JOLTS report rose to 5.5 million, as jobs and housing markets continue to lead the economy.
- FOMC Meeting-Same Policy, Different Forecasts:** The Fed policy statement and comments from Chair Yellen after the FOMC meeting on Wednesday confirmed market expectations of a cautious Fed this year. New economic forecasts released by the Fed last week now expect just 2 rate hikes this year, as opposed to the previous expectation of 4 hikes. Economic forecasts trimmed the Fed forecast for GDP growth in 2016 to just 2.2%, down from 2.4% in the December forecast.
- Brazil in Turmoil:** The ruling government of President Rousseff in Brazil is battling a corruption probe regarding the state oil company Petrobras, the worst recession in decades, and a pending impeachment vote in Congress. Polls suggest 63% of Congress would vote impeachment in April, up from 24% in February. Brazil hosts the 2016 Olympics in August.
- Oil on the Rebound –For Now:** Oil prices have rallied toward \$40 barrel, and the average gas price nationally has moved back up past \$2.00/gallon. Leading commodity analysts expect the rally to be short-lived, especially if shutter U.S. shale production gears up again.
- Apple Product Launch:** Apple launched new products today, but no major innovations –just smaller iPhones and iPads, price cuts on Apple Watches-and an emphasis on security and privacy ahead of the company’s government court case.
- Obama in Cuba:** This week President Obama became the first U.S. President since Coolidge (1928) to visit Cuba.
- Carl’s Corner:** Of the 16 teams left in the NCAA Basketball Tournament, 3 have never been to the Final Four: Gonzaga, Texas A&M and Miami.

<i>Index/Portfolio Returns</i>	<i>% Change Week</i>	<i>% Change QTD</i>	<i>% Change YTD</i>
Barclays Aggregate Bond	0.77%	2.43%	2.43%
Barclays High Yield Bond	1.04%	3.74%	3.74%
Barclays Glb Agg Bond	1.62%	5.46%	5.46%
JPM Emerging Mkts Bond	1.46%	5.04%	5.04%
S&P Equity 500 Index	1.37%	0.80%	0.80%
Russell 3000 All Cap Index	1.37%	0.30%	0.30%
Russell 2000 Small Cap Index	1.34%	-2.71%	-2.71%
NASDAQ Composite	1.02%	-3.94%	-3.94%
S&P Global BMI	1.52%	-0.14%	-0.14%
MSCI EAFE Index	1.01%	-2.76%	-2.76%
MSCI EAFE Small Cap	2.63%	-1.18%	-1.18%
MSCI Emerging Markets	3.27%	4.37%	4.37%

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