



WEEKLY MARKET WRAP

REVIEW & PREVIEW

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Stocks eased for the 2nd week in a row, as 1st quarter corporate earnings reports wind down in the next few weeks. The economic calendar is fairly light for the week, and the market focus could shift back towards the upcoming Presidential elections ahead of the summer conventions.

- Economic Update:** Manufacturing Index slows to 50.8, ISM Services improved to 55.7, same old story sluggish manufacturing while services continue to expand at a healthy pace. Job gains were just 160K in April, but wages improved and labor participation rate and unemployment rate held steady at 5.0%.
- 1st Quarter Earnings Scorecard:** The 1st Quarter earnings are 88% reported, with 1Q earnings down 6.3% year over year, and down 3.7% ex-energy sector for S&P 500 companies. The good news is 44% of companies beat revenue growth estimates, the best showing since 2014, and forward guidance is improving overall for companies that provide it.
- Presidential Election-Battle of Negatives:** Apparent major party nominees Hillary Clinton and Donald Trump are both unfavorable in recent NBC/WSJ polls, with 55% have a negative view of Clinton and 65% a negative view of Trump.
- Canada Fire Boosts Oil Prices:** The fire in Fort McMurray, Canada is close to oil sands production sites, and it is estimated that 1 million barrels per day of crude has been removed from markets due to precautionary pipeline shutdowns and personnel evacuations. *Despite the rally in oil prices this year the 5-year forward futures contract for oil has fallen 2.6% this year.*
- Saudi Arabia Government Shakeup:** Saudi Arabia replaced its oil minister with the chairman of the state oil company Aramco, and restructured other government ministries to support diversifying its economy away from oil dependence. *Saudi Arabia is planning on selling a minority stake in Aramco in the coming year, with the company expected to be valued at \$2 trillion.*
- Carl's Corner: Nyquist Wins Derby** - Nyquist went to an 8-0 record, winning the 142nd Kentucky Derby

<i>Index/Portfolio Returns</i>	<i>% Change Week</i>	<i>% Change QTD</i>	<i>% Change YTD</i>
Barclays Aggregate Bond	0.17%	0.55%	3.60%
Barclays High Yield Bond	-0.94%	2.94%	6.40%
Barclays Glb Agg Bond	0.10%	1.43%	7.41%
JPM Emerging Mkts Bond	-0.41%	1.49%	6.79%
S&P Equity 500 Index	-0.33%	0.05%	1.40%
Russell 3000 All Cap Index	-0.51%	0.11%	1.08%
Russell 2000 Small Cap Index	-1.40%	0.14%	-1.38%
NASDAQ Composite	-0.74%	-2.62%	-4.99%
S&P Global BMI	-1.82%	-0.18%	0.17%
MSCI EAFE Index	-3.03%	-0.23%	-3.23%
MSCI EAFE Small Cap	-2.06%	0.19%	-0.40%
MSCI Emerging Markets	-4.11%	-3.58%	1.92%

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