



WEEKLY MARKET WRAP

REVIEW & PREVIEW

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Stocks drifted lower last week following a more dovish forecast from Federal Reserve and general caution in the global markets ahead of this week's "Brexit" referendum vote in Britain. This week has a relatively light economic and earnings calendar which will keep the market focus on the Brexit vote and the upcoming U.S. elections.

- Economic Update:** Retail sales were up 0.5% in May, with the consumers back in the driver's seat of economic growth. Producer Prices (PPI) rose 0.4% in May, while Consumer Prices (CPI) rose 0.2%. Industrial production dipped 0.4% as manufacturing data continues to be weak. Housing starts dipped 0.3%, but gains in building permits indicates the dip is temporary.
- FOMC Holds Rates:** The FOMC held interest rates steady last week, and citing the upcoming Brexit vote as a factor in the decision. The Bank of Japan also held interest rates last week citing similar concerns.
- "Lower for Longer":** During the last three Fed rate hike cycles, the time between the first rate hike and the second hike was less than 60 days. It has now been 187 days since the Fed's first rate hike on December 16th.
- Brexit Update:** The murder of parliament member and Remain supporter Jo Cox has shifted recent polls in Britain toward remaining in the EU. PredictWise now suggests probabilities of 76% for remaining EU.
- MSCI delays China A-Share Inclusion:** MSCI Global Indexes cited progress by China markets, but delayed last week including mainland A-shares in their global MSCI Indexes, which are reviewed again in 2017.
- More Millionaires:** In 2015, the number of millionaires worldwide grew by 1.1 million, or 6%, with half of the gains coming from the Asia-Pacific region, including China, according to CNN Money. Boston Consulting estimates 71% of US wealth will be in hands of millionaires by 2020.
- Carl's Corner:** Prior to the Cavs winning the NBA Title Sunday night, the last Cleveland sports team to be Champion of their respective sport was the 1964 Cleveland Browns, who were NFL Champions that season.

<i>Index/Portfolio Returns</i>	<i>% Change Week</i>	<i>% Change QTD</i>	<i>% Change YTD</i>
Barclays Aggregate Bond	0.05%	1.46%	4.53%
Barclays High Yield Bond	-0.79%	4.78%	8.29%
Barclays Glb Agg Bond	0.29%	2.27%	8.30%
JPM Emerging Mkts Bond	-0.44%	2.91%	8.27%
S&P Equity 500 Index	-1.12%	1.06%	2.42%
Russell 3000 All Cap Index	-1.14%	1.32%	2.31%
Russell 2000 Small Cap Index	-1.61%	3.04%	1.47%
NASDAQ Composite	-1.90%	-1.13%	-3.53%
S&P Global BMI	-1.87%	-0.07%	0.29%
MSCI EAFE Index	-2.76%	-2.35%	-5.29%
MSCI EAFE Small Cap	-3.72%	-1.36%	-1.95%
MSCI Emerging Markets	-2.06%	-3.14%	2.40%

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