



# WEEKLY MARKET WRAP

## REVIEW & PREVIEW

August 30, 2016

VOLUME 23, ISSUE 29

Stocks were modestly lower last week across most major stock indexes with bonds mixed. Economic data has generally strengthened in recent weeks and comments from the Fed chairman Yellen once again point to the possibility of a rate hike by year-end. Though the 2<sup>nd</sup> quarter GDP was revised down last week, the current estimate for this quarter shows the U.S. economy growing near 3.0%.

- Economic Update:** New home sales jumped 12% in July and are up 31% from last year, while existing home sales fell 3% and are down 2% year over year. Jobless claims fell again to 261K, the third weekly decline. Durable goods orders came to life, rising 4.4% in July, after declines the last two months. The first revision of 2Q GDP came at 1.1% growth, below the initial 1.2% estimate.
- Jackson Hole Symposium:** The KC Fed annual symposium in Jackson Hole, WY has been an annual gathering for central bankers across the globe. Fed chair Yellen spoke last Friday, putting markets back on the look-out for interest rate hikes. Following her comments the odds of a September rate hike rose to 42%, with a 65% chance of hike by year-end.
- Dog Days of Summer:** The stock markets have been unusually steady and quiet this summer, with the S&P 500 going 34 straight days without a move of 1% in either direction, the longest streak since 2014, according to Goldman Sachs.
- Online Sales Increasing:** Online sales are becoming increasingly important across the globe. U.S. online sales have grown from 1.2% to 9.7% of total retail sales from 2000 to 2015, while online sales in China have gone from 0.1% to 7.5% of total retail sales during the same period.
- Mylan EpiPen –Drug Pricing Back in Focus:** Mylan’s 400% price increase in EpiPen injections for allergies has brought drug pricing practices back under scrutiny. T. Rowe Price believes pricing increases on existing drugs will come under increasing political and regulatory scrutiny.
- Businesses Shrug off Brexit:** Eurozone business activity grew at a moderate pace in August. The last purchasing manager (PMI) surveys for the 19 nation zone edged up to a seven-month high in July at 53.3.

<i>Index/Portfolio Returns</i>	<i>% Change Week</i>	<i>% Change QTD</i>	<i>% Change YTD</i>
Barclays Aggregate Bond	-0.15%	0.20%	5.52%
Barclays High Yield Bond	0.25%	4.78%	14.27%
Barclays Glb Agg Bond	-0.08%	1.25%	10.32%
JPM Emerging Mkts Bond	-0.03%	3.46%	14.74%
S&P Equity 500 Index	-0.67%	3.69%	7.67%
Russell 3000 All Cap Index	-0.57%	4.07%	7.84%
Russell 2000 Small Cap Index	0.11%	7.65%	10.04%
NASDAQ Composite	-0.35%	8.00%	5.13%
S&P Global BMI	-0.34%	5.35%	7.01%
MSCI EAFE Index	0.18%	6.17%	1.47%
MSCI EAFE Small Cap	0.44%	7.15%	3.75%
MSCI Emerging Markets	-0.96%	8.55%	15.52%

Robert Klefsaas, CFP®, AIF®, CFDS  
 Bruce Bonner, CFA®  
 Brian Senske, MA  
 David Osterberg, CPA  
 Carl Ermisch, AIF®  
 Paula Zilka  
 John Shevlin  
 Michele Lenz  
 Nick Sullivan, CFP®  
 Chris Murray

President  
 Portfolio Manager  
 COO, CCO  
 Tax Advisor  
 Analyst & Paraplanner  
 Executive Assistant  
 Account Executive  
 Client Associate  
 Wealth Manager  
 SVP Bank PCWM



Phone: 952-896-3820 · Fax: 952-896-3819 · Toll Free: 888-809-7901

Email: [asf@allstarfinancial.com](mailto:asf@allstarfinancial.com) · Website: [www.allstarfinancial.com](http://www.allstarfinancial.com)