



WEEKLY MARKET WRAP

REVIEW & PREVIEW

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Stocks were mixed last week while bonds sold off across most sectors. Markets await two major central bank meetings this week, with both the Federal Reserve Bank and the Bank of Japan coming out with announcements on Wednesday. Next week Presidential elections come into market focus with the first Presidential debate in what looks to be a close election.

- Economic Update:** Retail sales fell 0.3% in August, and Industrial Production fell 0.4%, confirming recent weaker ISM data. Mortgage applications were up 4% and jobless claims held steady at 260K on the week. Regional Manufacturing surveys were mixed, and both consumer and business surveys have remained steady, as the U.S. economy continues to “plow horse” through the year.
- Incomes Rising Again:** The Census Bureau announced last week that median incomes rose 5.2% in 2015, the best single year increase since 1968, and long-overdue after several years of modest income gains since 2009.
- Monetary Policy Focus:** This week the Federal Reserve is expected to hold off on another interest rate hike, largely due to mixed economic data in recent weeks. Meanwhile, the Bank of Japan is expected to announce the results of its review of monetary policy, and could make changes to interest rates and/or its asset purchases programs. *The Bank of England remained on hold last week, with no drop-off in economic data and serious “Brexit” negotiations not expected until late 2017.*
- China Economy Improves:** Both industrial production and retail sales improved in China during August, and business investment grew 8%. Modest improvement in the China economy should delay further stimulus programs and allow the state-owned companies to further pay down and restructure debt.
- Wells Fargo Congressional Testimony:** Wells Fargo CEO is expected to testify on Tuesday in front of the Senate Banking Panel, regarding the discovery that the company created 2 million fake client accounts.
- Apple Shines:** Apple stock rose 11% last week amid reports of strong sales of the new iPhone 7 models and supplier shortages.
- Carl’s Corner:** Florida State has given up 105 points in 3 games so far this season, including 63 last Saturday against Louisville. Their 1993 National Championship team gave up 129 in 13 games that season.

<i>Index/Portfolio Returns</i>	<i>% Change Week</i>	<i>% Change QTD</i>	<i>% Change YTD</i>
Barclays Aggregate Bond	-0.11%	-0.12	5.18%
Barclays High Yield Bond	-0.59%	4.28%	13.72%
Barclays Glb Agg Bond	-0.34%	-0.26%	8.68%
JPM Emerging Mkts Bond	-1.19%	2.09%	13.22%
S&P Equity 500 Index	0.59%	2.41%	6.34%
Russell 3000 All Cap Index	0.53%	2.82%	6.55%
Russell 2000 Small Cap Index	0.51%	6.61%	8.97%
NASDAQ Composite	2.34%	8.59%	5.71%
S&P Global BMI	-0.88%	3.74%	5.38%
MSCI EAFE Index	-2.48%	3.90%	-0.70%
MSCI EAFE Small Cap	-1.50%	6.02%	2.65%
MSCI Emerging Markets	-2.59%	6.80%	13.65%

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