



# WEEKLY MARKET WRAP

## REVIEW & PREVIEW

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Stocks were mostly mixed again last week in a volatile week of trading following the first Presidential debate on Monday. Banks were in the news again last week, but not in a good way. John Stumpf, the Wells Fargo CEO had more testimony to Congress and agreed to give up \$41 million on stock options and German Deutsche Bank was under pressure due to pending fine settlement with the DOJ.

- Economic Update:** The final 2Q GDP release was revised up to 1.4% on stronger consumer spending. U.S. consumer confidence rose to a post crisis-high of 104.1 in September, the highest reading since August 2007. Jobless claims held steady at 254K, but new home sales fell 7.6% in August, though still up 20% year over year with home prices up 5% year over year. The Moody's Risk of Recession indicator fell to 13%, the lowest level of the year.
- OPEC Quota Agreement:** The Organization of Petroleum Exporting Countries (OPEC) met in Algiers and agreed to limit output for the first time in eight years, though no quotas were formally set. Oil prices surged 7.7% on the news, but final agreement is to be ratified November 30<sup>th</sup>. *Saudi Arabia is projecting a government budget deficit of 13% of GDP, pressured by lowered oil prices.*
- Janus Funds-Henderson Funds to Merge:** Janus Funds announced a merger with Henderson Funds, a leading global UK asset manager with \$127 billion under management. The combined firm will have \$320 billion under management.
- Third Party Desire:** A majority of Americans, 57%, according to a recent Gallup poll, now say that a third major political party is needed. This represents a departure from minority views in past polls. *Vice Presidential debate on Tuesday, with the 2<sup>nd</sup> Presidential debate on Sunday, October 9<sup>th</sup>.*
- 3<sup>rd</sup> Quarter Earnings:** FactSet reports that analysts now estimate that 3<sup>rd</sup> quarter S&P 500 earnings estimates will show an earnings decline of 2.9%, below the average decline of 4.9% over the past four quarters.
- Goodbye to The King:** Arnold Palmer won \$184,065 during the 1967 PGA golf season, his best earnings year ever on the links. Rory McIlroy won \$11.53 million on 9/25/16, the day of Palmer's death.

<i>Index/Portfolio Returns</i>	<i>% Change Week</i>	<i>% Change QTD</i>	<i>% Change YTD</i>
Barclays Aggregate Bond	0.06%	0.46%	5.80%
Barclays High Yield Bond	0.39%	5.55%	15.11%
Barclays Glb Agg Bond	0.12%	0.82%	9.85%
JPM Emerging Mkts Bond	-0.03%	3.73%	15.04%
S&P Equity 500 Index	0.20%	3.85%	7.84%
Russell 3000 All Cap Index	0.17%	4.40%	8.18%
Russell 2000 Small Cap Index	-0.17%	9.05%	11.46%
NASDAQ Composite	0.13%	10.02%	7.09%
S&P Global BMI	-0.28%	5.74%	7.41%
MSCI EAFE Index	-0.68%	6.43%	1.73%
MSCI EAFE Small Cap	-0.14%	8.64%	5.19%
MSCI Emerging Markets	-1.51%	9.03%	16.02%

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