



WEEKLY MARKET WRAP

REVIEW & PREVIEW

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The stock market declined across most indexes last week as initial 4th quarter profit reports have been soft, especially among major banks. The Swiss Bank removed currency caps for its currency ahead of this week's expected announcements from the European Central Bank. Earnings reports will remain center stage in the coming weeks.

- **Economic Update:** The NFIB Small Business Optimism Index rose for the 3rd month in a row. The JOLTS job openings report shows 4.97 million jobs, although hiring remains slow. Retail sales fell in December, largely due to declines in gas prices.
- **Swiss Franc Shocks Currency Markets:** During the last European debt crisis the Swiss Central Bank capped the value of the Swiss franc versus the euro. The Swiss Central Bank unexpectedly removed this cap last week, sending the currency up 15% against the dollar and other major currencies. Swiss stocks declined and currency trading firms experienced widespread losses.
- **European Central Bank Takes Stage:** The European Central Bank is expected to launch a \$650 billion bond buying program this week to boost the region's economy.
- **China Tightens Margin Requirements:** China regulators tightened margin requirements for its local Shanghai Exchange stocks, which have risen 67% in the last year. They are seeking to curb speculation.
- **Volatility Returns in 2015:** Volatility has returned to the stock market and has been above average in 9 of the first 11 trading days. More to come?

<i>Index/Portfolio Returns</i>	<i>% Change Week</i>	<i>% Change QTD</i>	<i>% Change YTD</i>
Barclays Aggregate Bond	0.48	1.35	1.35
Barclays High Yield	-0.31	-0.08	-0.08
Barclays Glb Agg Bond	0.06	0.02	0.02
JPM Emerging Mkts Bond	0.09	-0.47	-0.47
S&P 500 Index	-1.22	-1.85	-1.85
Russell 3000	-1.15	-1.83	-1.83
Russell 2000	-0.75	-2.30	-2.30
NASDAQ Composite	-1.48	-2.12	-2.12
S&P Global BMI	-0.51	-1.74	-1.74
MSCI EAFE Index	0.73	-1.84	-1.84
MSCI EAFE Small Cap	-0.55	-2.16	-2.16
MSCI Emerging Markets	-0.40	0.15	0.15

Robert Klefsaas, CFP[®], AIF[®], CFDS
 Bruce Bonner, CFA[®]
 Kristie M. Brenner AIF[®]
 David Osterberg, CPA
 Carl Ermisch
 Trisha Downing
 Dawn Knudson

President
 Portfolio Manager
 VP & Business Leader
 Tax Advisor
 Analyst & Paraplanner
 Executive Assistant
 Operations Manager

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

Email: asf@allstarfinancial.com · Website: www.allstarfinancial.com

