



WEEKLY MARKET WRAP

REVIEW & PREVIEW

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Stocks moved up on the European Central Bank announcement of its expanded bond buying program (QE) on Thursday. Both foreign and emerging markets moved up sharply and domestic bond and stocks moved up as well. This week brings more 4th quarter profit reports and FOMC meeting announcement on Wednesday.

- Economic Update:** Housing starts improved to 1.09 million, and existing home sales rose to 5.04 million, and mortgage applications rose 14%, all indicating signs of improving housing market. Jobless claims rose to 307K on the week.
- European Central Bank:** The ECB unleashed \$1.1 trillion in open-ended sovereign debt and agency bond buying to support the 19-member currency union economy, with an open-ended time frame into September 2016. *This should help to maintain historically low interest rates in foreseeable future and maintain downward pressure on euro currency.*
- Greek Election:** Greeks went to the polls on Sunday and elected anti-austerity, left leaning Syriza party with Alexis Tsipras as Prime Minister. The government has formed a coalition with competing parties and is expected to renegotiate Greece's debt terms.
- Russian Downgraded to Junk:** Standard and Poor's downgraded Russian government debt to junk status (BBB-), noting darkening outlook for economy. Fighting has intensified from Russian rebels in eastern Ukraine, and both U.S. and Europe are said to preparing more sanctions on Russia.
- Oil Rigs Count Down:** The number of oil rigs in use in the U.S. fell again last week, and are now down 20% from last fall and at the lowest level since August 2010. Oil price drop could be ending soon.

<i>Index/Portfolio Returns</i>	<i>% Change Week</i>	<i>% Change QTD</i>	<i>% Change YTD</i>
Barclays Aggregate Bond	0.14	1.50	1.50
Barclays High Yield	0.40	0.32	0.32
Barclays Glb Agg Bond	-0.53	-0.51	-0.51
JPM Emerging Mkts Bond	0.83	0.35	0.35
S&P 500 Index	1.62	-0.26	-0.26
Russell 3000	1.62	-0.24	-0.24
Russell 2000	1.05	-1.28	-1.28
NASDAQ Composite	2.67	0.49	0.49
S&P Global BMI	2.03	0.26	0.26
MSCI EAFE Index	2.64	0.75	0.75
MSCI EAFE Small Cap	1.60	0.59	-0.59
MSCI Emerging Markets	3.50	3.65	3.65

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