



WEEKLY MARKET WRAP

REVIEW & PREVIEW

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Stocks were under pressure last week as recent economic data remained mixed. 1st quarter GDP was revised down last week and showed the economy actually contracted by 0.7% during the 1st quarter. A sharper decline in exports was the main culprit, but a weaker 1st quarter GDP has been the trend in recent years.

- **Economic Update:** S&P Case Shiller home prices rose 5% and new home sales rose to 517K. Consumer confidence and investor sentiment readings improved, despite the 1Q GDP revision and Moody's risk of recession indicator fell to 12%.
- **Europe Update:** Economic growth is improving across Europe, with both Spain and Italy surprising forecasts with 1Q GDP of 2.7% and 0.3%. European 1Q profits have so far beaten estimates more than companies in both the U.S. and Japan. German consumer confidence hit its highest level in 13 years. *A Greek debt deal remains elusive and Ukraine begins debt restructuring talks next week.*
- **Oil Rebound:** Oil prices rose 4.5% on Friday, as the oil rig count in the U.S. fell to its lowest level since 2010. OPEC meets next week and no production cuts are expected. Full OPEC production is seeing some impact, with non-OPEC production expected to fall to 1.3 million barrels/day in 2015, down from 2.1 million barrels/day in 2014. Energy sector 2Q upward revisions to earnings estimates are leading all other sectors.
- **Mid-Year Correction Reminder:** We continue to remind investors that corrections are normal, and we have not had one for a while. During 2010-2012 we had double-digit declines in the April-August time frame, yet still finished with positive returns in all three years.
- **Mary Meeker Internet Trends:** Mobile phone users were just 1% of the population in 1995, but have grown to 73% of the global population in 2014 - a whopping 5.2 billion users globally!

<i>Index/Portfolio Returns</i>	<i>% Change Week</i>	<i>% Change QTD</i>	<i>% Change YTD</i>
Barclays Aggregate Bond	0.62	-0.60	1.00
Barclays High Yield Bond	0.17	1.51	4.07
Barclays Glb Agg Bond	-0.21	-0.74	-2.65
JPM Emerging Mkts Bond	-0.44	1.42	3.51
S&P Equity 500 Index	-0.84	2.26	3.23
Russell 3000 All Cap Index	-0.81	1.84	3.68
Russell 2000 Small Cap Index	-0.43	-0.33	3.98
NASDAQ Composite	-0.37	3.65	7.57
S&P Global BMI	-1.42	2.98	5.81
MSCI EAFE Index	-1.83	3.55	8.60
MSCI EAFE Small Cap	-1.59	5.68	11.56
MSCI Emerging Markets	-3.18	3.38	5.69

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