



WEEKLY MARKET WRAP

REVIEW & PREVIEW

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Markets were extremely volatile last week but ended little changed, with bond markets finishing mostly negative. Greek debt negotiations and political reversals, the China stock market correction and government reaction, and the NYSE 4-hour outage on Wednesday all contributed to a wild ride for investors during the week.

- Economic Update:** The May job openings report topped 5.3 million job openings for the 2nd month in a row, but initial jobless claims rose to 297K on the week. Mortgage applications rose by 4.6% for the week, but overall consumer credit fell in May but remained up 5.7% year over year.
- Greece and EU Agree to Agree, If:** In a rapid about face, Greek leaders agreed to negotiate terms of a bailout that was nearly identical to the initial plan Greek voters rejected in last week's referendum vote. EU, IMF, ECB, and Greek leaders essentially agreed to a 3rd bailout of Greece late Sunday. BUT, Greece must approve the bailout AND previously agreed on reforms by Wednesday. Greek banks remain closed until then.
- China Stock Market Correction:** China's markets have corrected by 25% off their mid-May highs, as valuations in their Shanghai and Shenzhen mainland exchanges reached "tech bubble" ranges. Regulators limited insider selling, new margin controls, and suspended shares in volatile stocks last week in attempt to restore order to markets.
- 2Q Earnings Kick-off:** Corporate profit reports for the 2nd quarter have kicked-off and will feature Bank of America, Blackrock, JP Morgan and Wells Fargo. 2Q earnings are expected to show a decline of 4.4%, ex-energy growth of 3.4%.
- Outage Day:** Wednesday was computer outage day. United Airlines had a 3-hour flight grounding, the NYSE exchange halted trading for 4 hours, and the Wall Street Journal website crashed for most of the day.
- Initial Public Offerings (IPOs) Stall:** Companies raised just \$17 billion in new issue IPOs during the 1st half of the year, the lowest amount since 2010. Merger activity remains strong in both biotech and tech issues, traditionally new issuers of stock.

<i>Index/Portfolio Returns</i>	<i>% Change Week</i>	<i>% Change QTD</i>	<i>% Change YTD</i>
Barclays Aggregate Bond	-0.11	-0.32	-0.42
Barclays High Yield Bond	-0.35	-0.10	2.43
Barclays Glb Agg Bond	0.05	-0.36	-3.42
JPM Emerging Mkts Bond	-0.10	0.22	1.98
S&P Equity 500 Index	0.03	0.71	1.95
Russell 3000 All Cap Index	0.02	0.58	2.53
Russell 2000 Small Cap Index	0.31	-0.14	4.61
NASDAQ Composite	-0.23	0.24	6.15
S&P Global BMI	-0.51	-0.21	3.32
MSCI EAFE Index	0.20	0.54	6.09
MSCI EAFE Small Cap	-1.61	-1.55	8.43
MSCI Emerging Markets	-3.23	-3.98	-1.12

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