



WEEKLY MARKET WRAP

REVIEW & PREVIEW

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Markets reacted positively to a new bailout package for Greece, better than expected economic growth in China, and generally better than expected 2nd quarter earnings reports. This week the focus should shift back to earnings, with the majority of reports coming in over the next two weeks.

- Economic Update:** The housing industry continues to display strength with housing starts rising 9.8% in June and housing permits rising 7.4% to an eight year high. Jobless claims fell by 15,000 to 281K, the 19th week below 300K claims. Inflation ticked up by 0.3% in June, with core CPI rising 0.2% and 1.8% y over y, still below the Fed target. Retail sales fell by 0.3% in June, indicating a still cautious consumer.
- Greek Banks Re-Open:** Greek banks re-opened Monday following three weeks of closures and limited ATM withdrawals. The EU has approved an \$8 billion bridge loan to Greece that will allow it to keep terms with the IMF and European Central Bank. Meanwhile, reform measures and long-term bailout terms remain in progress.
- Earnings Update:** 2nd quarter earnings reports got off to a good start with banks JP Morgan, Wells Fargo, Bank of America, and Citigroup all reporting better than expected earnings. Google also beat estimates for the first time in six quarters, boosting tech stocks for the week.
- China Economy Surprises:** China reported 2nd quarter GDP of 7.0%, better than forecasts and helping to calm recent market volatility in China stocks. Canada cut interest rates as their economy has slowed with falling commodity prices.
- Net Worth Hits New Record:** The Federal Reserve reported that the net worth of U.S. households hit a record and non-profits hit a record \$84.9 trillion in the 1st quarter 2015.
- Fed Rate Hike-Soon?** Fed Chair Janet Yellen confirmed she still expects to raise interest rates by the end of the year. This has been the longest period of an economic expansion without a rate hike, going into the 7th year.

<i>Index/Portfolio Returns</i>	<i>% Change Week</i>	<i>% Change QTD</i>	<i>% Change YTD</i>
Barclays Aggregate Bond	0.42	0.10	-0.01
Barclays High Yield Bond	0.07	-0.03	2.50
Barclays Glb Agg Bond	-0.48	-0.82	-3.87
JPM Emerging Mkts Bond	0.07	-0.03	2.50
S&P Equity 500 Index	2.42	3.15	4.42
Russell 3000 All Cap Index	2.17	2.76	4.76
Russell 2000 Small Cap Index	1.22	1.08	5.89
NASDAQ Composite	4.25	4.50	10.66
S&P Global BMI	1.97	1.75	5.35
MSCI EAFE Index	2.03	2.58	8.25
MSCI EAFE Small Cap	2.39	0.80	11.03
MSCI Emerging Markets	1.12	-2.88	-0.02

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