WEEKLY MARKET WRAP

REVIEW & PREVIEW

September 15, 2015 VOLUME 22, ISSUE 37

Stocks managed modest gains last week in another volatile week of trading ahead of this week's Fed rate decision. Bonds weakened, with the 10-year Treasury yield ending at 2.20%. This week all eyes are on the Fed's monetary policy meeting with a policy announcement on Thursday.

- **Economic Update:** The job openings report (JOLTS) was strong last month, with job openings increasing to a record high 5.75 million. Jobless claims fell to 275K on the week, while producer prices remain flat on falling import prices. The Michigan consumer confidence index fell from 91.9 to 85.7, following the August correction in financial markets.

- **FOMC Meeting Focus:** Economists and analysts are split as to whether the Fed should begin to raise interest rates on Thursday, but fed fund futures are pricing in a 25% chance of a rate hike. *Employment has improved dramatically, but wage gains and inflation are still below Fed long-term goals.* Central banks of England, Japan, and Korea left their rates on hold this past week, waiting on Fed actions.

- **Puerto Rico Plan:** Puerto Rico announced a list of financial and economic reforms to improve the economy and restructure $50 billion of the island's debt. The plan will require support from the Puerto Rican legislature, Congress, and bond holders. The U.S. commonwealth faces a projected deficit of $30 billion over the next five years.

- **China State Owned Enterprise Reform:** China's government continues to roll out economic reforms to transform and support their slowing economy. China announced over the weekend they will be restructuring many of their state-owned enterprises (SOES) by allowing private investment, merging companies, and limiting state participation in certain sectors.

- **Political Power Shifts:** Australia's center right Liberal Party elected Malcom Turnbull to replace Tony Abbott as Prime Minister, largely due to failure of Abbott to provide "economic leadership". Britain elected Jeremy Corbyn to lead the Labour Party, the main opposition party to Prime Minister Cameron.

- **Carl's Corner:** Fact: Through week 2 of the 2015 College Football season, the SEC is 18-3 (.857) in non-conference games, while Big 10 teams have gone 20-8 (.714).

Index/Portfolio Returns	*% Change Week*	*% Change QTD*	*% Change YTD*
Barclays Aggregate Bond	-0.12	0.77	0.67
Barclays High Yield Bond	0.46	-1.72	0.77
Barclays Glb Agg Bond	0.26	0.90	-2.21
JPM Emerging Mkts Bond	0.12	-0.63	1.12
S&P Equity 500 Index	2.13	-4.52	-3.34
Russell 3000 All Cap Index	2.08	-4.84	-2.99
Russell 2000 Small Cap Index	1.94	-7.45	-3.05
NASDAQ Composite	2.98	-3.06	2.66
S&P Global BMI	2.00	-7.15	-3.87
MSCI EAFE Index	2.07	-7.11	-1.98
MSCI EAFE Small Cap	2.21	-4.83	4.83
MSCI Emerging Markets	1.87	-16.90	-14.45

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