



# WEEKLY MARKET WRAP

## REVIEW & PREVIEW

September 29, 2015

VOLUME 22, ISSUE 39

Stocks declined across all major indexes last week amid concerns of weakness in emerging market economies and further declines in commodity and oil prices. Biotech stocks joined in the decline, leading to widespread declines on Friday and Monday. Despite the market sell-off, economic data in the U.S. and globally remains modestly positive overall.

- Economic Update:** Existing home sales came in at \$5.3 million last month, new home sales rose, and mortgage applications rose 14% ahead of the Fed rate decision. Regional manufacturing and industrial surveys were mostly weaker and durable goods orders fell by 2.0% in August. The final 2<sup>nd</sup> quarter GDP showed that the economy grew by 3.9%, up from 3.7%.
- House Speaker Boehner Resigns:** House speaker John Boehner unexpectedly resigned last week, paving the way for passage of a “stopgap” government spending bill, extending the current government budget into December. A replay of the government shutdowns of the past remains a possibility before year-end.
- Stock Buybacks:** S&P 500 stock buybacks totaled \$132 billion in the 2<sup>nd</sup> quarter, up 13% from 2014. Information technology stocks accounted for 28% of all buybacks in the 2<sup>nd</sup> quarter, up 26% from 2014.
- Biotech Stocks Sell Off Sharply:** Biotech stocks, which have been market leaders in past quarters, sold off last week and again sharply on Monday. The sell-off followed the 5,000% price increase on an obscure drug acquired by a hedge fund manager along with drug policy regulation comments from presidential candidates and Congress.
- Material and Energy Stocks:** Falling commodity and oil prices have continued to take their toll on materials, mining, and energy stocks. Swiss commodity mining and trading giant, Glencore, fell 30% on commodity declines, oil giant Shell canceled plans to drill for arctic oil this past week, while Williams and Energy Transfer Equity LP announced a \$37 billion oil and gas merger.
- Eurozone Confidence Rises:** Economic confidence in Europe rose in September to its highest level since June 2011 as fears over Greece subsided and economic activity improved.

<i>Index/Portfolio Returns</i>	<i>% Change Week</i>	<i>% Change QTD</i>	<i>% Change YTD</i>
Barclays Aggregate Bond	-0.24	0.87	0.77
Barclays High Yield Bond	-1.45	-3.67	-1.24
Barclays Glb Agg Bond	-1.07	0.52	-2.57
JPM Emerging Mkts Bond	-2.06	-1.64	0.09
S&P Equity 500 Index	-1.35	-5.93	-4.77
Russell 3000 All Cap Index	-1.72	-6.49	-4.68
Russell 2000 Small Cap Index	-3.47	-10.21	-5.95
NASDAQ Composite	-2.91	-5.77	-0.21
S&P Global BMI	-2.54	-8.96	-5.74
MSCI EAFE Index	-3.09	-9.49	-4.49
MSCI EAFE Small Cap	-2.57	-6.38	3.12
MSCI Emerging Markets	-4.87	-18.22	-15.80

Robert Klefsaas, CFP®, AIF®, CFDS  
 Bruce Bonner, CFA®  
 Brian Senske, MA  
 David Osterberg, CPA  
 Carl Ermisch, AIF®  
 John Shevlin  
 Paula Zilka  
 Michele Lenz  
 Nate Gelle

President  
 Portfolio Manager  
 COO, CCO  
 Tax Advisor  
 Analyst & Paraplanner  
 Account Executive  
 Executive Assistant  
 Client Associate  
 Intern #94

Phone: 952-896-3820 · Fax: 952-896-3819 · Toll Free: 888-809-7901

Email: [asf@allstarfinancial.com](mailto:asf@allstarfinancial.com) · Website: [www.allstarfinancial.com](http://www.allstarfinancial.com)



3800 AMERICAN BLVD W, SUITE 1450 · MINNEAPOLIS, MN · 55431