



# WEEKLY MARKET WRAP

## REVIEW & PREVIEW

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Stocks closed out the week on a positive note on Friday despite a weaker than expected jobs report for September. Markets initially declined but then reversed course on the prospect of the Fed keeping interest rate hikes on hold until 2016. This week we get a check on the ISM Service Sector of the economy and perhaps some market calm before Alcoa kicks off 3<sup>rd</sup> quarter earnings on Friday.

- Economic Update:** Consumer confidence rose in September, to its highest reading since January. Personal income grew by 0.3% and personal spending was up 0.4% from previous month. Home prices leveled off, rising just 5% in July according to S&P Case/Shiller price index. The US ISM Manufacturing Index fell from 51.1 to 50.2 in September, still expanding but at slowest pace in two years. The jobs report for September added just 142K jobs, far below expectations, with the labor participation rate remaining near its lowest level since the 1970's.
- Trans Pacific Partnership (TPP) Agreement:** The U.S. and 11 other Pacific nations reached a major regional trade accord on Monday that impacts 40% of the global trade economy. Key provisions feature loosening of Ag import restrictions, lower tariffs for autos made in the agreement nations, and stronger patent protections. The pact includes Japan, Canada, Mexico, Australia, New Zealand, Malaysia, Singapore, Vietnam, Chile, and Peru.
- Immigration-Who We Are:** Immigration reform is shaping up to be a major topic in U.S. elections. Over the last 50 years, over 55% of our population growth has come from immigrants and descendants. Population growth is a major determinant of economic growth over the long-term.
- U.S. Oil Production Still Building:** U.S. oil inventories continued to build last week, despite reductions in oil rigs. The Baker Hughes oil rig count stood at 640 last week, down from a peak of 1,609 in October 2014.
- India Slashes Rates:** The central bank of India cut its interest rates by 50bp to 6.75% to combat potentially slowing growth and easing inflation.
- Norway Loves Electric Cars:** According to IHS Automotive, Norway leads in electric/hybrid vehicle sales, representing 23% of new vehicle registrations compared to less than 1% in most other nations. Norway has the largest sovereign wealth fund, built from oil revenues over the last few decades.

<i>Index/Portfolio Returns</i>	<i>% Change Week</i>	<i>% Change QTD</i>	<i>% Change YTD</i>
Barclays Aggregate Bond	0.68	0.33	1.46
Barclays High Yield Bond	-1.78	-0.55	-2.99
Barclays Glb Agg Bond	1.08	0.75	-1.52
JPM Emerging Mkts Bond	0.42	0.83	0.52
S&P Equity 500 Index	1.10	1.65	-3.72
Russell 3000 All Cap Index	0.81	1.64	-3.90
Russell 2000 Small Cap Index	-0.69	1.23	-6.59
NASDAQ Composite	0.49	1.91	0.27
S&P Global BMI	0.91	1.59	-4.88
MSCI EAFE Index	0.66	1.49	-3.86
MSCI EAFE Small Cap	0.92	1.41	4.07
MSCI Emerging Markets	1.92	1.52	-14.19

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