



# WEEKLY MARKET WRAP

## REVIEW & PREVIEW

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Stocks were up again last week as investors are returning to the market in October. October's gains have been a "treat" for investors, reversing most of the losses of August and September during the 3<sup>rd</sup> quarter. This week brings more earnings with the FOMC meeting and statement release on Wednesday.

- Economic Update:** Housing starts rose and existing home sales were up 8.8% year over year. Jobless claims continued to drift lower and this week brings the first reading on 3<sup>rd</sup> quarter GDP, which is expected to be in the 1.0% - 1.5% range.
- Central Bank Update:** Global Central Banks continue to play a major role in today's markets. Last week the European Central Bank (ECB) hinted at more monetary actions in December. China followed by cutting their interest rates by 25 basis points on Friday. The FOMC meets this week, but no action or changes are anticipated. Economists are split as to whether the Bank of Japan (BOJ) will expand its bond buying when it meets this Friday.
- Investors Still Not Bullish:** Despite the stock market rally since 2009, investors still remain cautious on stocks with just \$642 million net money added to domestic equity funds since 2007, while \$1.2 trillion has been added to bond funds.
- Earnings Update:** Earnings are coming in better in recent reports with Microsoft, Google, and Amazon all having much better than expected earnings last Thursday. This week's reports feature Apple after the close on Tuesday.
- Budget Deal:** Congress and the White House have agreed to a budget deal that would raise the debt ceiling and avert government shutdown politics. The deal could go to vote later this week.
- Banks Piling Cash:** Deposits in U.S. banks have risen 38% from 2010 to 2015, while loans as a percentage of deposits have fallen from 78% to 71%.
- Carl's Corner:** When is the last time the K.C. Royals or New York Mets have won the World Series? Answer: Royals in 1985, Mets in 1986.

<i>Index/Portfolio Returns</i>	<i>% Change Week</i>	<i>% Change QTD</i>	<i>% Change YTD</i>
Barclays Aggregate Bond	-0.09	0.34	1.47
Barclays High Yield Bond	0.61	2.84	0.31
Barclays Glb Agg Bond	-1.11	0.25	-2.00
JPM Emerging Mkts Bond	-0.06	2.84	0.31
S&P Equity 500 Index	2.09	8.19	2.47
Russell 3000 All Cap Index	1.73	7.66	1.80
Russell 2000 Small Cap Index	0.33	6.0	-2.20
NASDAQ Composite	2.97	8.95	7.19
S&P Global BMI	1.17	7.85	0.98
MSCI EAFE Index	0.83	8.14	8.51
MSCI EAFE Small Cap	0.74	5.74	8.51
MSCI Emerging Markets	0.39	9.74	-7.24

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