



# WEEKLY MARKET WRAP

## REVIEW & PREVIEW

November 2, 2015

VOLUME 22, ISSUE 44

Stocks were mixed amid narrow trading last week as modest gains in domestic large cap indexes were offset by declines in small caps and foreign stocks. This week brings the tail end of 3<sup>rd</sup> quarter earnings reports along with the most recent jobs report on Friday. A dozen speeches by Fed board members this week could shed light on Fed's thinking.

- **Economic Update:** Durable goods orders fell by 1.2% from last month. Both new home sales and pending home sales fell on the month. The employment cost index rose just 2.0%, another measure of mild inflation in the economy. The initial 3<sup>rd</sup> quarter GDP growth came in at just 1.5%, as inventory cutbacks offset consumer spending gains of 2.2%.
- **Holiday Spending Plans:** The National Retail Federation's annual holiday spending survey finds that the average shopper expects to spend \$805.65 this holiday season, up from \$802.45 spent in 2014.
- **Stock Dividends and Buybacks:** S&P Capital reports that stock dividends and buybacks are on pace to top \$1 trillion in 2015 for the first time ever. Consumer Discretionary and Information Technology stocks continue to lead sector buyback totals.
- **Congress Passes Budget Deal:** Congress passed a compromise budget package and extended the debt limit into March 2017, effectively removing the debt ceiling and budget battles from election year politics.
- **China 5-Year Plan:** China's Communist Party completed their planning meetings last week, releasing statements that emphasized social issues (ending one-child policy), environmental concerns, and economic rebalancing towards services and consumption. Services accounted for over half of China's economy for the first time in the 3<sup>rd</sup> quarter, with the economy growing by 6.9%.
- **Oil Prices:** The Baker Hughes Oil and Gas Rig Count fell to 775 last week, its lowest level since 2002. Production cutbacks could begin to put pressure on oil prices again in the coming year.

<i>Index/Portfolio Returns</i>	<i>% Change Week</i>	<i>% Change QTD</i>	<i>% Change YTD</i>
Barclays Aggregate Bond	-0.32	0.02	1.14
Barclays High Yield Bond	-0.09	2.75	0.23
Barclays Glb Agg Bond	-0.04	0.21	-2.04
JPM Emerging Mkts Bond	-0.21	3.16	2.83
S&P Equity 500 Index	0.22	8.44	2.70
Russell 3000 All Cap Index	0.22	7.90	2.02
Russell 2000 Small Cap Index	-0.34	5.63	-2.53
NASDAQ Composite	0.45	9.44	7.68
S&P Global BMI	0.21	7.62	0.76
MSCI EAFE Index	-0.30	7.82	2.13
MSCI EAFE Small Cap	0.23	5.98	8.76
MSCI Emerging Markets	-2.38	7.13	-9.45

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