



WEEKLY MARKET WRAP

REVIEW & PREVIEW

November 9, 2015

VOLUME 22, ISSUE 45

Stocks were mostly higher last week, with the exception of modest declines in foreign developed markets. Bonds were in broad decline following the stronger than expected jobs report on Friday. The 10-year Treasury yield moved 15bps higher to close the week at 2.33%, with the probability of a Federal Reserve interest rate hike in December rising to 69%.

- Economic Update:** Economic data generally improved during the week, with the ISM Service Sector Index advancing to 59.1, and the ISM Manufacturing Index still expanding at 50.1. Vehicle sales broke through to the 18.2 million annual sales level, a 12-year high. The trade deficit improved, and the total payrolls increased by 271K in October, with the unemployment rate falling to 5.0%.
- Good News is Bad News:** The better than expected jobs report in October makes a December interest rate hike a real possibility and bonds sold off on Friday in reaction, with follow through declines in stocks on Monday. *Wages increased 2.5% in the October payroll report, the strongest gain since July 2009.*
- Savings to Spend?** The American Automobile Association (AAA) reports that Americans are spending \$350 million a day less at the gas pump than they were a year ago. The average price of a gallon of gas has fallen from \$2.47 to \$2.00 as of November 4th.
- Keystone Pipeline Rejected:** President Obama rejected the Keystone Pipeline from Canada last week after a seven year review, citing environmental reasons. The proposal could be re-submitted in 2017 depending on election results.
- Year-End Rally?** The S&P 500 stock index has been up during the last two months of the year in each of the last six years, and 20 of the last 25 years.
- November 10, 1975:** 40 years ago the Edmund Fitzgerald sank in Lake Superior, with all 29 crew members lost. The ship was the largest Great Lakes freighter when launched in 1958, with a capacity of 26,000 tons and 729 feet in length.

<i>Index/Portfolio Returns</i>	<i>% Change Week</i>	<i>% Change QTD</i>	<i>% Change YTD</i>
Barclays Aggregate Bond	-0.80	-0.78	0.34
Barclays High Yield Bond	-0.33	2.41	-0.10
Barclays Glb Agg Bond	-1.96	-1.75	-3.96
JPM Emerging Mkts Bond	-0.01	3.15	2.82
S&P Equity 500 Index	1.02	9.55	3.76
Russell 3000 All Cap Index	1.20	9.20	3.25
Russell 2000 Small Cap Index	3.29	9.11	0.68
NASDAQ Composite	1.92	11.53	9.74
S&P Global BMI	0.13	7.76	0.89
MSCI EAFE Index	-1.54	6.16	0.56
MSCI EAFE Small Cap	-1.36	4.55	7.29
MSCI Emerging Markets	0.56	7.73	-8.94

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 · Website: www.allstarfinancial.com

