



# WEEKLY MARKET WRAP

## REVIEW & PREVIEW

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Stocks were on the rebound last week, shrugging off terrorist attacks in Paris, and becoming more comfortable with the prospect of a Fed rate hike in December. This week brings a holiday shortened week with the markets closed for Thanksgiving on Thursday and shortened trading on Friday.

- Economic Update:** Economic data was generally mixed on the week. The core CPI index was up 0.2% in October and up 1.9% year over year. Industrial production fell slightly, and regional manufacturing indexes also declined. Housing data weakened, but mortgage applications were up on the week.
- Merger Monday:** Pfizer and Allergan announced a \$160 billion merger on Monday. The deal is another tax inversion, with the surviving company to be based in lower tax rate Ireland, but maintaining the Pfizer name and stock symbol. The deal follows Treasury announcements to curtail corporate tax inversions and the Pfizer deal could push corporate tax reform back on the Congressional agenda next year.
- China Impact Rising in Global Markets:** Despite stock market volatility earlier in the year, China is growing in importance in global markets. On November 30<sup>th</sup>, Morgan Stanley Capital International (MSCI) will be including Alibaba, Baidu, and other U.S. listed China companies in their index series. Also, on November 30<sup>th</sup> the International Monetary Fund (IMF) will be voting on the inclusion of China's currency in its reserve currency basket.
- U.S. Stock Buybacks:** Stock buybacks in the U.S. totaled \$516 billion through the 3<sup>rd</sup> quarter and are on pace to surpass the previous high in 2007. Blackrock and several other fund companies have warned companies should be investing more in long-term business growth than increased buybacks.
- Consumer Trends:** Retail sales have been off in department stores but internet sales are up 15% year over year and represent 7.5% of all retail sales. Stocks of internet retails have risen 70% since 2013, while retail stocks have declined 20%.
- Carl's Corner:** Clemson is #1 in the College Football Poll, and the last time they were ranked #1 was following their Orange Bowl victory for the 1981 season, the only time they have ever been recognized as National Champions.

<i>Index/Portfolio Returns</i>	<i>% Change Week</i>	<i>% Change QTD</i>	<i>% Change YTD</i>
Barclays Aggregate Bond	0.15	-0.44	0.68
Barclays High Yield Bond	-0.51	0.44	-2.03
Barclays Glb Agg Bond	0.22	-1.21	-3.44
JPM Emerging Mkts Bond	1.11	3.54	3.21
S&P Equity 500 Index	3.34	9.17	3.40
Russell 3000 All Cap Index	3.19	8.59	2.67
Russell 2000 Small Cap Index	2.52	6.94	-1.33
NASDAQ Composite	3.65	10.73	8.94
S&P Global BMI	2.85	7.61	0.75
MSCI EAFE Index	2.52	6.95	1.31
MSCI EAFE Small Cap	2.25	6.05	8.83
MSCI Emerging Markets	2.73	6.62	-9.88

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