



# WEEKLY MARKET WRAP

## REVIEW & PREVIEW

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Stocks were mixed and flat last week with bonds down slightly ahead of this month's anticipated rate hike of interest rates by the Federal Reserve. This week has a light economic calendar but a full week of trading with energy stocks under renewed pressure following OPEC's decision not to cut production last Friday.

- Economic Update:** The economy added another 211K jobs in November and the unemployment rate held steady at 5.0% with wages up 2.3%. The report could serve as an "all clear" sign for the Fed to raise interest rates on December 16<sup>th</sup>. ISM Manufacturing Index fell to 48.6, the lowest level since 2009, as manufacturing remains sluggish globally. Retail sales remain modest, but vehicle sales remain on a tear, surpassing 18 million annually for the third month in a row in November. Economists estimate pent-up demand from the past recession is peaking.
- OPEC Maintains Production, More Energy Pain:** OPEC decided not to cut its production targets at its semi-annual meeting at Vienna last Friday. The decision led to renewed selling pressure on energy related stocks on Monday and oil prices dropped below \$38 barrel. Saudi Arabia led OPEC is determined to defend market share that has been lost to U.S. production in recent years, the decision should keep oil prices low well into 2016.
- When Interest Rates Rise:** Does the Fed shift toward hiking interest rates mean the six year bull market for stocks is coming to an end? Not necessarily - S&P Indexes found that the average monthly return for the S&P 500 from 1991-June 2015 was 0.88%. The average monthly return was 1.26% during periods of rising rates, versus an average monthly return of 0.73% during periods of declining interest rates.
- Election Shifts:** Venezuela voters gave the parliament majority to the government's opposition, ending 15 years of socialist rule under Hugo Chavez and his successor Maduro. France's anti-immigration National Front Party made gains in regional elections.
- Carl's Corner:** The Arizona Cardinals are the only NFC team who have never had a first round BYE in the playoffs. They are on pace to have one this season as the #2 seed.

<i>Index/Portfolio Returns</i>	<i>% Change Week</i>	<i>% Change QTD</i>	<i>% Change YTD</i>
Barclays Aggregate Bond	-0.12	-0.43	0.69
Barclays High Yield Bond	-0.06	0.24	-2.22
Barclays Glb Agg Bond	0.30	-1.02	-3.24
JPM Emerging Mkts Bond	-0.99	2.39	2.07
S&P Equity 500 Index	0.12	9.39	3.60
Russell 3000 All Cap Index	-0.16	8.83	2.90
Russell 2000 Small Cap Index	-1.56	7.75	-0.58
NASDAQ Composite	0.29	11.57	9.77
S&P Global BMI	-0.38	7.03	0.21
MSCI EAFE Index	-0.82	5.58	0.01
MSCI EAFE Small Cap	1.23	6.99	9.80
MSCI Emerging Markets	-1.69	2.71	-13.19

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