



Market in a Minute
November 17, 2015

Index Performance: As of November 13, 2015

Index	Price	Last Week	YTD
Dow Jones 30	17245	-3.7%	-3.2%
S&P 500	2023	-3.6%	-1.7%
NASDAQ	4928	-4.3%	4.1%
Russell 2000	1147	-4.4%	-4.8%
Russell 2000 Growth	710	-4.6%	-1.7%
Russell 2000 Value	1402	-4.3%	-8.0%
Russell 1000 Growth	985	-3.7%	2.5%
Russell 1000 Value	1158	-3.4%	-4.3%
Shanghai SE Index	3750	-0.3%	10.6%
SPDR Gold Shares	103.58	-0.5%	-8.8%
GS Crude Oil Total Return	7.64	-9.2%	-39.1%
Powershares US \$ Index	25.76	-0.3%	7.5%
Ishares EAFE Index	59.30	-2.7%	-2.5%
iShares Barclays 20+ Yr Treasury Bond	119.67	0.6%	-5.0%
Utilities Select Sector ETF	42.54	0.7%	-9.9%
Vanguard REIT ETF	76.44	-2.3%	-5.6%
iShares Mortgage Real Estate	9.80	-1.1%	-16.3%
Wells Fargo BDC	20.60	-1.4%	-8.0%
Alerian MLP ETF	12.42	-7.9%	-27.9%
iShares Global Telecom	58.51	-2.1%	-2.6%

Source: Bloomberg & MSN, Returns are appreciation only.

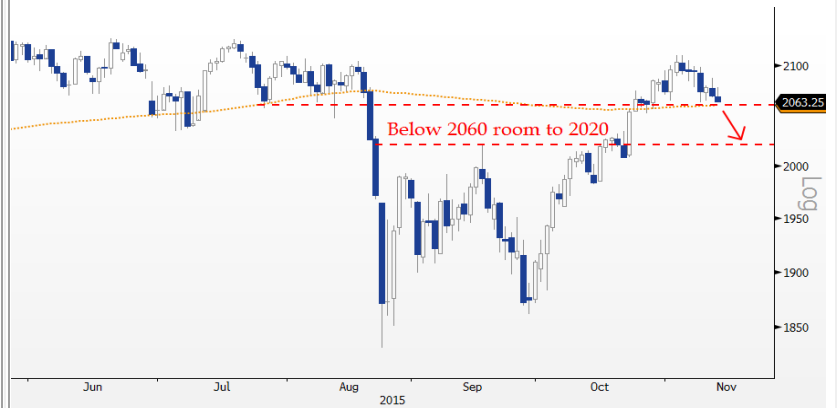
S&P Sector Performance

Index	Price	Last Week	YTD
Information Technology	713	-4.6%	3.1%
Consumer Disc.	616	-4.6%	7.6%
Consumer Staples	491	-2.8%	-1.8%

A Word on the Market by Pat Adams, CFA

As we expected, the market did come down to the support level of 2020 on the S&P 500 but then on Monday it bounced off of this level. You can see from the chart the resistance is roughly 2060 on the S&P 500. The S&P 500 closed at 2053 on Monday, which is not far from resistance. We would be surprised to see the S&P 500 back above 2100 in the face of extraordinary weak retail sales, poor earnings, the Fed likely to raise interest rates in December, the dollar getting stronger, and the internals of the market being very poor. FANG, as we discussed last week, may be fine into year end, but their valuations are excessive. Many investor have the perception the market has been good this year. If not for the FANG type of stocks, the market is negative. In fact, roughly 50% of the market is 20% below its 52 week high. These are statistics when markets are in a bear not a bull.

S&P 500



ES1 Index (CME E-Mini Standard & Poor's 500 Index Future) RSI Daily 15MAY2015-1. Copyright© 2015 Bloomberg Finance L.P. 12-Nov-2015 08:11:29

You can also see from the chart we have come down to 1850 now twice and bounced. We believe the market is in a topping pattern that started this year with the high in the S&P 500 of 2134 in May. The bottom of the current trend would bring the S&P 500 down to 1800. That would also be around 15x earnings. We would like to see the market broaden out with oil stocks, value,

Health Care	803	-3.2%	1.4%
Financials	321	-3.4%	-3.6%
Industrials	466	-2.3%	-4.3%
Energy	484	-6.0%	-17.6%
Telecommunications	143	-2.9%	-6.5%
Utilities	215	0.3%	-10.5%
Materials	279	-2.2%	-8.8%

Source: Bloomberg website, Returns are appreciation only.

Interest Rates

Fed Fund	0.25	5-Year	1.66
3-Month	0.15	10-Year	2.27
6-Month	0.33	30-Year	3.07
2-Year	0.88		

Source: Bloomberg.com

Economic Events This Week

Date	Event	Forecast	Previous
17-Nov	CPI	0.2%	-0.2%
17-Nov	Core CPI	0.2%	0.2%
17-Nov	Industrial Production	0.1%	-0.2%
17-Nov	Capacity Utilization	77.5%	77.5%
18-Nov	Housing Starts	1173K	1206K
18-Nov	Building Permits	1137K	1103K
19-Nov	Initial Claims	272K	276K
19-Nov	Philadelphia Fed	-1.0	-4.5
19-Nov	Leading Indicators	0.6%	-0.2%

Source: Briefing.com

Economic Events Last Week

Date	Event
10-Nov	The Wholesale Inventories for Sep. increased 0.5% compared to expectations of 0.1%
12-Nov	Initial Claims for the week of 11/7 were reported at 276K vs. estimates of 269K

small cap, and income stocks outperforming. We did see some of this on Monday.

Our technical model did turn negative again, last week, meaning the trend of the market has turned negative again. The market is now oversold nicely and is due for a bounce.

The shootings in Paris are very sad, and makes us furious, however if it is a one off occurrence, it has no impact on the market.

As mentioned, retail sales reported by Macy's and Nordstrom were horrible. Making you think a mild recession might already be occurring. Macy's is down about -49% from its high this year, and Nordstrom is down -34%

Macy's (red) and Nordstrom (blue)



Many retailers report this week, which should give us more insight. We are late in the economic cycle after 7 years. It is just natural we have a contraction.

Watch for the FOMC minutes on Wednesday.

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13-Nov	PPI for Oct. came in at -0.4% which was lowered than forecasts of 0.1%
13-Nov	Core PPI for Oct. was reported at -0.3% vs. estimates of 0.1%
13-Nov	Retail Sales for Oct. came in at 0.1% vs. expectations of 0.3%
13-Nov	Retail Sales ex-auto for Oct. was up 0.2% vs. forecasts of 0.4%
13-Nov	Michigan Sentiment for Nov. was reported at 93.1 vs. estimates of 92.0
13-Nov	The Business Inventories for Sep. increased 0.3% which was slightly ahead of the flat expectations

Source: Briefing.com

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