



Market in a Minute
September 22, 2015

Index Performance: As of September 18, 2015

Index	Price	Last Week	YTD
Dow Jones 30	16385	-0.3%	-8.1%
S&P 500	1958	-0.2%	-4.9%
NASDAQ	4827	0.1%	1.9%
Russell 2000	1163	0.5%	-3.4%
Russell 2000 Growth	737	0.9%	2.1%
Russell 2000 Value	1389	0.1%	-8.9%
Russell 1000 Growth	967	0.2%	0.6%
Russell 1000 Value	1115	-0.4%	-7.8%
Shanghai SE Index	3245	-3.2%	-4.3%
SPDR Gold Shares	109.21	2.9%	-3.8%
GS Crude Oil Total Return	8.49	1.7%	-32.3%
Powershares US \$ Index	24.86	0.1%	3.7%
Ishares EAFE Index	58.82	-1.0%	-3.3%
iShares Barclays 20+ Yr Treasury Bond	122.10	0.6%	-3.0%
Utilities Select Sector ETF	42.23	1.6%	-10.6%
Vanguard REIT ETF	76.30	3.1%	-5.8%
iShares Mortgage Real Estate	10.67	2.2%	-8.9%
Wells Fargo BDC	21.01	-1.5%	-6.2%
Alerian MLP ETF	13.85	-0.1%	-19.6%
iShares Global Telecom	58.05	-1.5%	-3.4%

Source: Bloomberg & MSN, Returns are appreciation only.

S&P Sector Performance

Index	Price	Last Week	YTD
Information Technology	672	-0.5%	-2.9%
Consumer Disc.	599	0.4%	4.7%
Consumer Staples	484	0.8%	-3.0%

A Word on the Market by Pat Adams, CFA

The Federal Reserve surprised us by not raising interest rates last week. Fed policy mandates it to be driven by employment and inflation. The Unemployment rate at 5.1% is very close to full employment, and inflation, excluding food and energy, has been running at 1.8%. The Fed cited concern about international economies for maintaining the current interest rate policy, which is reflective of emergency economic conditions. China, Japan, and Europe are all struggling. As the Chinese stock market has crashed, our Fed has become more concerned about the global economy. The fact our markets fell on Friday was due to the cloud the Fed has now put over the global economy. China is a house of cards, and we assume the Fed already knew that. Does the cloud the Fed created over the market stay? A month or two is not going to make any difference on the outlook for the global economy. The Fed will very likely raise rates this year...odd move by the Fed.

What did come out of Yellen's comments was she lowered the increases by .25%, so the new target is 1.5% Fed Funds by year end 2016, 2.5% in 2017, and 3.5% in 2018. How is the global economy going to handle this? The Fed has no credibility.

Given we are in a bad state in terms of the market technical and trend, this is a seasonally bad time of year for the markets. The Fed is giving very mixed signals, the sentiment has turned negative, and earnings estimates are too high for next year. We would expect a wild market ride in the short term. It makes sense the market should retest the recent lows of 1850 to 1900 on the S&P 500.

We believe it makes sense to be defensive. The problem if you are a technician is it is difficult to find good long term support levels for the S&P 500.

Health Care	820	0.7%	3.6%
Financials	306	-1.4%	-8.3%
Industrials	440	-0.7%	-9.6%
Energy	462	0.3%	-21.2%
Telecommunications	143	-1.5%	-6.2%
Utilities	214	2.5%	-10.7%
Materials	263	-1.6%	-13.7%

Source: Bloomberg website, Returns are appreciation only.

Interest Rates

Fed Fund	0.25	5-Year	1.51
3-Month	0.01	10-Year	2.20
6-Month	0.11	30-Year	3.02
2-Year	0.72		

Source: Bloomberg.com

Economic Events This Week

Date	Event	Forecast	Previous
21-Sep	Existing Home Sales	5.50M	5.58M
24-Sep	Initial Claims	271K	264K
24-Sep	Durable Orders	-2.0%	2.2%
24-Sep	Durable Orders ex-transportation	0.2%	0.4%
24-Sep	New Home Sales	515K	507K
25-Sep	GDP-Third Est.	3.7%	3.7%
25-Sep	GDP Deflator	2.1%	2.1%
25-Sep	Michigan Sentiment	87.0	85.7

Source: Briefing.com

Economic Events Last Week

Date	Event
15-Sep	Retail Sales for Aug. came in at 0.2% vs. expectations of 0.3%
15-Sep	Retail Sales ex-auto for Aug. was 0.1% vs. estimates of 0.2%
15-Sep	Industrial Production for Aug. was down -0.4% compared to forecasts of -0.2%
15-Sep	Capacity Utilization for Aug. came in at 77.6% vs. estimates of 77.8%

The first good support level on a monthly chart is 1375 on the S&P 500.

We think earnings are going to be critical in October and the focus will be on Apple.

We found this to be an interesting headline from *STRATFOR Global Intelligence*

Russia: Lawmakers Move To Limit Property Rights Of Foreign States

September 21, 2015 | 13:11 GMT

Russian lawmakers are set to approve a bill that would allow Russian courts to seize foreign property on Russian territory under certain circumstances, RT reported Sept. 21. It was also proposed that these limitations be extended to the continental shelf and to assets on any territory where Russia has economic jurisdiction under international law. The bill is meant to provide Russia a legal retaliation against the freezing of its assets abroad. The vote will take place Sept. 22. The Russian economy has been struggling under low energy prices and economic sanctions.

Please visit our website for more information.
www.pygassetmanagement.com

15-Sep	Business Inventories for Jul. was 0.1% which was in line with expectations
16-Sep	CPI for Aug. was -0.1% which was in line with estimates
16-Sep	Core CPI for Aug. was 0.1% which was also in line with expectations
17-Sep	Initial Claims for the week of 9/12 were reported at 264K which was lower than forecasts of 275K
17-Sep	Housing Starts for Aug. came in at 1126K compared to estimates of 1158K
17-Sep	Building Permits for Aug. were reported at 1170K vs. expectations of 1158K
17-Sep	The Philadelphia Fed for Sep. was -6.0 vs. forecasts of 6.5
17-Sep	The FOMC decided to keep short term rate unchanged at 0.25% as expected
18-Sep	The Leading Indicators for Aug. came in at 0.1% compared to estimates of 0.2%

Source: Briefing.com

Phone: (800) 777-0818
 Email: Information@pvgasset.com
 Web: www.pvgassetmanagement.com