



## Market in a Minute

August 23, 2016

### Index Performance: As of August 19, 2016

Index	Price	Last Week	YTD
Dow Jones 30	18553	-0.1%	6.5%
S&P 500	2184	0.0%	6.8%
NASDAQ	5238	0.1%	4.6%
Russell 2000	1237	0.6%	7.6%
Russell 2000 Growth	745	0.2%	5.3%
Russell 2000 Value	1553	0.9%	12.5%
Russell 1000 Growth	1055	-0.3%	5.4%
Russell 1000 Value	1283	0.4%	10.3%
Shanghai SE Index	3254	1.9%	-12.2%
SPDR Gold Shares	127.99	0.5%	26.1%
GS Crude Oil Total Return	6.08	8.2%	-2.4%
Powershares US \$ Index	24.42	-1.3%	-4.8%
Ishares EAFE Index	58.79	0.0%	0.1%
iShares Barclays 20+ Yr Treasury Bond	138.71	-1.0%	15.0%
Utilities Select Sector ETF	50.27	-1.3%	16.2%
Vanguard REIT ETF	88.52	-1.9%	11.0%
iShares Mortgage Real Estate	10.70	-1.0%	11.9%
Wells Fargo BDC	21.94	1.4%	8.2%
Alerian MLP ETF	12.71	0.2%	5.5%
iShares Global Telecom	62.80	-2.1%	8.6%

Source: Bloomberg & MSN, Returns are appreciation only.

### S&P Sector Performance

Index	Price	Last Week	YTD
Information Technology	783	0.2%	8.6%
Consumer Disc.	646	-0.7%	4.1%
Consumer Staples	562	-0.3%	8.4%

### A Word on the Market by Pat Adams, CFA

This Friday, Federal Reserve Chairwoman Janet Yellen makes her speech regarding her views on monetary policy, at the annual economic symposium in Jackson Hole. Every year central bankers around the globe meet in Jackson Hole to discuss global economic issues. This typically sets the stage for clarifying monetary policy by the Federal Reserve. We believe there is a disconnect between what the Fed wants the market to be expecting, in terms of a rate increase, and the market's disbelief in an interest rate hike.

The Federal Reserve believes the economy is picking up again and inflation is getting closer to its target of 2%. Thus far this quarter we have not seen a pick up in the economy, however, the Fed wants the market to be prepared for an increase in rates. It is difficult to figure this will be the event to knock the market down, but it is in an overbought condition and vulnerable for a pullback. The Fed wants the expectation to be that they will raise rates soon, but the market is in disbelief due to all the false warnings. If the Fed raises rates without it being discounted by the market, then the dollar could rise. As an example, a rising dollar would put pressure on oil prices and pressure the economy. This would obviously hurt the stock market.

This week we get the housing reports; housing is critical for sustainable economic growth. We don't expect any significant upside surprises.

We note that legendary investor George Soros doubled his short position in the S&P 500, he was already very bearish. As a side note, Soros has been a big backer of Clinton.

We mentioned last week that we expect the presidential polls will tighten up and the market to become more volatile. We had been expecting more of Clinton's emails to surface, and sure enough, the FBI has 15,000 more to review.

The 200 day moving average of the S&P 500 will begin to rise rapidly between now and Election Day, as the math

Health Care	858	-0.7%	3.0%
Financials	323	0.5%	0.4%
Industrials	510	0.7%	10.1%
Energy	518	2.0%	15.5%
Telecommunications	173	-3.8%	15.3%
Utilities	254	-1.3%	15.5%
Materials	307	1.3%	12.1%

Source: Bloomberg website, Returns are appreciation only.

#### Interest Rates

Fed Fund	0.50	5-Year	1.17
3-Month	0.30	10-Year	1.58
6-Month	0.44	30-Year	2.29
2-Year	0.76		

Source: Bloomberg.com

#### Economic Events This Week

Date	Event	Forecast	Previous
<b>23-Aug</b>	New Home Sales	580K	592K
<b>24-Aug</b>	Existing Home Sales	5.54M	5.57M
<b>25-Aug</b>	Initial Claims	265K	262K
<b>25-Aug</b>	Durable Orders	3.5%	-4.0%
<b>25-Aug</b>	Durable Orders ex-Transportation	0.4%	-0.5%
<b>26-Aug</b>	GDP-Second Est	1.1%	1.2%
<b>26-Aug</b>	GDP Deflator-Second Est	2.2%	2.2%
<b>26-Aug</b>	Michigan Sentiment-Final	90.6	90.4

Source: Briefing.com

#### Economic Events Last Week

Date	Event
<b>16-Aug</b>	CPI for Jul. was flat which was in line with expectations
<b>16-Aug</b>	Core CPI for Jul. came in at 0.1% compared to estimates of 0.2%
<b>16-Aug</b>	Housing Starts for Jul. came in at 1211K which was higher than forecasts of 1167K

works, while the market could remain flat. This is a little concerning if the market does begin to pullback.

Please visit our website for more information.

[www.pvgassetmanagement.com](http://www.pvgassetmanagement.com)

<b>16-Aug</b>	Building Permits for Jul. were at 1152K vs. expectations of 1153K
<b>16-Aug</b>	Industrial Production for Jul. rose 0.7% compared to forecasts of 0.3%
<b>16-Aug</b>	Capacity Utilization for Jul. came in at 75.9% which was close to estimates of 75.7%
<b>18-Aug</b>	Initial Claims for the week of 8/13 came in at 262K vs. forecasts of 265K
<b>18-Aug</b>	The Philadelphia Fed for Aug. was reported at 2.0 vs. consensus estimates of 0.5
<b>18-Aug</b>	The Leading Indicators for Jul. was 0.4% which was in line with expectations

Source: Briefing.com

Phone: (800) 777-0818

Email: [Information@pvgasset.com](mailto:Information@pvgasset.com)

Web: [www.pvgassetmanagement.com](http://www.pvgassetmanagement.com)