

**RESOURCE LOG – October 2016**

Article Title	Detail	Publication	Date	Author
<p>How to Read Median Household Income <i>The news is good, but American families still make less than before the 2007 crisis</i></p>	<p>The Current Population Survey says that median household income went up by an inflation-adjusted 5.2 percent in 2015, the largest rise since records began in 1967. The separate American Community Survey puts the increase at 3.9 percent. Both report that poorer households say some of the biggest gains.</p> <p>Rising employment appears to have driven the improvement as much as surging wages. Wage growth is starting to pick up but isn't yet signaling a tight labor market or impending inflation.</p> <p>Rising household incomes have been propping up the broader economy. Without strong growth in consumer spending, the U.S. would have dipped back into recession in the first half of this year....</p>	<p>Bloomberg Businessweek</p>	<p>09/26-10/02/2016</p>	
<p>Global Economics</p>	<p>Lawmakers in Britain's Conservative Party trying to figure out what their new prime minister, Theresa May, thinks about Brexit – or indeed anything – have a nickname for her: Theresa Maybe.</p> <p>Before the referendum, the U.K. Treasury called this a "shock scenario", estimating that it would cause a 7.5 percent loss of economic output over 15 years and result in 800,000 job losses in six years. The U.K. could drop its taxes on European products to zero and hope other countries follow suit. But WTO rules require it to then do so for other WTO members, undermining Britain's ability to negotiate deals elsewhere.</p> <p>It took seven years for the EU to negotiate one with Canada, and it still hasn't been ratified. Greenland took three years to leave the EU in the early 1980s...</p>	<p>Bloomberg Businessweek</p>	<p>09/26-10/02/2016</p>	
<p>What Lies Ahead <i>In our outlook for the remainder of this year and for 2017, we discuss the likelihood of continued economic expansion while assessing the underlying risks to growth.</i></p>	<p>Our cyclical baseline forecast through 2017 is for a continuous global economic expansion, mostly supportive monetary and fiscal policies and broadly range-bound markets. However, we are concerned about risks lurking beneath the surface, especially in the context of asset prices that in many cases appear stretched. The recent bout of market volatility that followed sedated summer trading may be a guide to what lies ahead: occasional regime switches between periods of relative calm (supported by benign macroeconomic data and sedative monetary policy) and periods of rising volatility and uncertainty caused by ..."whatever".</p> <p>More dovish central banks, an orderly rather than disruptive depreciation of the Chinese currency and a stabilization of the dollar on the back of the late February G-20 "Shanghai co-op" have helped maintain the status quo. In short, over the past six months, the global economy and markets arrived in the calmer seas that we anticipated back in March. And looking ahead, the resulting easing in broad financial conditions in the course of this year provides a helpful tailwind for near-term cyclical developments in the remainder of 2016.</p> <p>Expansions don't die of old age; they die because something kills them. History suggests that the assassin has usually been the central bank (reacting to an overheating economy), or a major oil price shock, or the bursting of a credit-fueled housing bubble. Our forecast for 2017 is for ongoing growth because we don't expect "something" will show up – central banks are still fighting the opposite of overheating,</p>	<p>PIMCO</p>	<p>10/01/2016</p>	<p>Joachim Fels and Andres Balls</p>

	<p>oil prices seem capped by more elastic supply and credit and housing are not exactly booming. Hence, global recession risks appear to be contained over our cyclical horizon despite more lackluster trend growth than in previous cycles.</p> <p>In numbers, we expect world GDP growth to pick up slightly from around 2.5% this year to 2.5%-3.0% in 2017. With core inflation expected to remain below target in most major developed market (DM) economics, monetary policy will likely remain accommodative overall...</p> <p>A key feature of our 2017 baseline forecast is better prospects in emerging markets (EM), where we see aggregate GDP growth accelerating from some 4.5% this year to between 4.75%-5.25% next year.</p> <p>External conditions for many EM economies have improved due to the stabilization of commodity prices and the U.S. dollar. Internal conditions are more conducive to growth, too: Inflation has likely peaked, ...</p> <p>Regarding China, our base case is that the ongoing rebalancing from investment to consumption leads to a further gradual slowdown in growth...</p> <p>We will likely favor U.S. duration overall versus a number of the global alternatives given that, in a world of low global yields, higher U.S. yields also enhance the flight-to-quality nature of the U.S. markets during periods of market disruption. We continue to favor TIPS (U.S. Treasury Inflation-Protected Securities), based on valuation, the forecast of 2%-2.5% U.S. CPI inflation in 2017...</p>			
Stocks End Quarter on a High Note	<p>U.S. stocks wrapped up their best quarter of the year with help from the beleaguered banking sector.</p> <p>Financial firms had been battered for much of 2016 by volatile markets, sluggish growth and central banks that are putting pressure on profits by keeping interest rates near or below zero. But their shares have started to recover in recent months, as investors regained confidence in the economy and embraced riskier assets.</p> <p>The gains helped lift the S&amp;P 500 by 3.3% in the third quarter and have eased concerns that advanced in stocks aren't sustainable if the financial sector isn't along for the ride. Yet there are also possible rough spots ahead, including uncertainty over when the Federal Reserve will raise interest rates, concerns about Deutsche Bank AG's thin capital cushion, and unease about the fallout from a scandal over sales tactics that has engulfed Wells Fargo &amp; Co. And sluggish earnings remain a concern.</p> <p>...Jim Tierney, chief investment officer of concentrated U.S. growth at Alliance-Bernstein Holding LP. "We need to start seeing actual earnings, as well as earnings estimates, start moving up. If that happens, there's no reason this market can't get a higher valuation than what it has now".</p>	The Wall Street Journal	10/01-02/2016	Aaron Kuriloff and Riva Gold
What's News	◆ The Dow industrials on Friday rose 164.70 points to 18308.15.	The Wall Street Journal	10/01-02/2016	
What's News	◆ Consumer spending was flat in August, signaling slower growth for a pillar of the economy.	The Wall Street Journal	10/01-02/2016	

Deutsche's Public Lashing <i>German citizens and politicians across the spectrum see any state aid as unacceptable</i>	<p>Deutsche Bank AG is getting rough treatment in the market.</p> <p>Multibillion-dollar losses last year, investigations into misconduct around the world, concerns about its capital cushion and rich pay have made Deutsche Bank a handy target for left-leaning critics that accuse it of short-term thinking and greed.</p> <p>A TNS Emnid poll for news magazine Focus showed that 69% of respondents opposed any kind of state aid for Deutsch Bank...</p>	The Wall Street Journal	10/01-02/2016	Andrea Thomas and Bertrand Benoit
The Federal Reserve's Falling Growth Forecasts	<p>Federal Open Market Committee (FOMC) - FOMC members have collectively reduced their real ("inflation-adjusted") long-run GDP growth forecasts for at least five consecutive years. The current long-run forecast calls for 1.80% economic growth' in 2011, the midpoint of the forecast range was 2.55%.</p> <p>Some of the reasons influencing the downward trend in forecasts are obvious. Job creation has not been strong even though nonfarm payrolls have been increasing and the unemployment rate is at low levels. Wage growth has been disappointing for many workers. Quarterly productivity has worsened eight times since 2011. Budget bickering in Washington has capped fiscal stimulus and many state governments are strapped. The economy in other developed countries has been in a funk. Yesterday, the International Monetary Fund's managing director, Christine Lagarde, said the overall growth outlook for developed economies "remains subdued".</p>	AAll Investor Update	10/03/2016	
What Is Keeping Traders Up Nights	<p>The volatility of the past month in the markets has really been a reflection of the anxiety over a plethora of issues – from central banks' efficacy to the effect of negative rates, from the strength of the economy to the election, to fears about the fate of Deutsche Bank and what that means for the banking sector.</p> <p>So, what are the biggest issues likely to affect the market? Let's take a look.</p> <ul style="list-style-type: none"> <li>◆ European banks. The first is the state of the European banking sector, ...</li> </ul> <p>Deutsche Bank, Commerzbank AG</p> <p>Those are the Germans, operating in the Continent's strongest economy. The Italian and Spanish banks have been under pressure all year.</p> <p>James Stanley, a currency analyst at DailyFX said "The bigger concern is a contagion effect; because banks trade with each other and if one major bank gets taken out, this can create a nasty cascade effect across markets as other banks get pinched by counterparty risk".</p> <ul style="list-style-type: none"> <li>◆ The Election and Federal Reserve.</li> </ul> <p>...the U.S. presidential election on Nov. 8, and the Fed's last two policy meetings of the year, Nov. 1-2 and Dec. 13-14.</p> <ul style="list-style-type: none"> <li>◆ Corporate Profits. Third-quarter profits for the S&amp;P 500 companies are projected to contract by 2.1%...</li> </ul>	The Wall Street Journal	10/03/2016	Paul Vigna

	<p>◆ The Economy.</p> <p>The thesis that buoyed the market earlier – that the second half of the year would be stronger than the first – is starting to unravel.</p>			
The Push and Pull Of Politics	<p>The difficulty for Yellen is that although the Fed's motivations aren't political, its actions are inherently political in the sense that they affect the economy and thus create winners and losers. Keeping interest rates low helps incumbents by stimulating growth but at the risk, some say, of generating unacceptably high inflation that would have to be quelled with high rates later.</p> <p>Raising rates now presents its own difficulties. It could disrupt financial markets, shaking confidence. The next meeting of the FOMC concludes on Nov. 2. As of Sept. 28, financial markets say only a 17 percent chance that the Fed would raise rates on that date, vs. a 53 percent chance of raising rates on Dec. 14.</p> <p>The point is that anything the Fed does or doesn't do is viewed through a political filter, even though Yellen said after the Sept. 21 FOMC meeting that "we do not discuss politics at our meetings, and we do not take politics into account in our decisions".</p>	Global Economics	10/03-09/2016	
The Tables Have Turned	<p>At a meeting in Algiers on Sept. 28, after two days of round-the-clock talks, the Organization of the Petroleum Exporting Countries agreed to the outlines of its first oil production cut in eight years. Ministers said that the group, which supplies about 40 percent of the world's oil, will drop production to between 32.5 million and 33 million barrels a day.</p> <p>In 2014 the government in Riyadh was fine with cheap oil. It led the push to defend the cartel's market share against U.S. shale oil producers and other rivals. OPEC let its oil flow freely, and prices dropped sharply...</p> <p>In Saudi Arabia, the world's largest oil exporter, two years of weak prices have caused financial havoc, despite tentative moves to diversify the economy. The country is burning through its foreign exchange reserves...</p> <p>...the International Monetary Fund estimates. It calculates that the Saudis need oil close to \$67 a barrel to square the books. For Iran, it's \$64.50.</p> <p>When it comes to economic growth, Saudi Arabia is slowing sharply, to 1 percent...</p>	Global Economics	10/03-09/2016	
What's News	<p>◆ U.S. stocks slipped to start the fourth quarter, with the Dow losing 54.30 points to 18253.85.</p>	The Wall Street Journal	10/04/2016	
What's News	<p>◆ Gold suffered its biggest drop since 2013, while U.S. stocks and bonds fell. The Dow declined 85.40 points to 18168.45.</p>	The Wall Street Journal	10/05/2016	
Market Swings Signal Investor Angst	<p>Big moves in some pockets of financial markets are indicating investors are becoming wary as they approach the end of the year.</p>	The Wall Street Journal	10/05/2016	Mike Bird

	<p>Britain's markets went on a wild ride Tuesday, with the pound tumbling to its lowest level against the dollar in 31 years even as U.K. stocks soared.</p> <p>Investors pointed to the large moves seen in precious metals, bonds and some currencies as a signal of increased edginess.</p>			
IMF Forecasts Trepid Growth in 2017	<p>Rising protectionism, record debt levels and a continuing economic malaise in wealthy countries will drag on global growth next year despite a turnaround in several key emerging markets, the International Monetary Fund said.</p> <p>Global growth should only marginally pick up in 2017 to 3.4%, from 3.1% this year, the fund said in its latest World Economic Outlook...</p> <p>Downgrades in the forecasts for the U.S. and the U.K. offset upgrades for Japan, Germany, India and Russia...</p>	The Wall Street Journal	10/05/2016	Ian Talley
Relationship Between Bonds and Stocks Gets Complicated	<p>For much of this year, changes in stock prices and bond yields have been modestly positively correlated on a 30-day basis. When yields fell – for instance, when fears about global growth arose at the start of the year, or in June in the wake of the Brexit vote – so did stock prices.</p> <p>In the end, though, lower yields have given support to lofty stock prices, with both asset classes buoyed by expectations of global monetary-policy responses.</p> <p>...the move higher in bond yields wasn't attributable to expectations of higher growth and inflation. It was because markets grew nervous about central-bank policy. That was bad news for everyone.</p> <p>The problem for both bond and stock investors is that monetary policy appears close to its limits.</p>	The Wall Street Journal	10/05/2016	Richard Barley
What's News	<p>◆ Oil prices surged toward \$50 a barrel, extending a rally that has boosted energy shares. The Dow climbed 112.58 points to 18281.03.</p>	The Wall Street Journal	10/06/2016	
Once-Hot Dividend Stocks Cool Off	<p>Utilities shares fell for a ninth straight day on Wednesday, marking their longest losing streak since 2002. The latest moves deepen the recent slide in income-producing investments and underscore the sharp reversals in popular sectors as investors warily watch central banks.</p> <p>The S&amp;P Utilities sector dropped 7.5% in the past nine trading days, cutting its year-to-date gain to 8.9%.</p> <p>Real-estate shares, which like utilities are valued for their rising dividend payouts, dropped 6.7% in the nine days through Wednesday.</p> <p>Valuations among global high-yielding stocks were at their highest levels in more than a decade in June, according to BlackRock Inc.</p>	The Wall Street Journal	10/06/2016	Ben Eisen
Britain Feels Weight of Brexit's Reality	<p>Like most divorces, the fallout likely will be felt by both parties. Brexit, a complicated dismantling of a decades-old trade pact, is no different. How severe a hit Europe suffers will depend on how smooth or contentious the multi-year Brexit negotiations go</p>	USA Today	10/06/2016	Adam Shell

<i>With clock ticking, U.K. must figure out what comes next</i>	<p>and how quickly investors and impacted parties can gain clarity on what Britain's economic future will look like.</p> <p>"The great risk is to the United Kingdom," says Russ Koesterick, head of asset allocation for BlackRock's Global Allocation Fund.</p> <p>...the biggest fallout has been in the U.K. currency, the pound, which has fallen to its lowest level vs. the dollar since 1985 and below where it was in the initial aftermath of the Brexit vote...</p>			
<i>Emerging-Market Debt Issues Soar Companies seek to lock in cheap funding, as some warn of risks to financial stability</i>	<p>Corporate-bond issuance in emerging markets reached a record in September, even as worries mounted globally over soaring debt levels amid tepid growth.</p> <p>...International Monetary Fund, which said on Wednesday that towing corporate debt is a big risk for emerging markets and cautioned about a downturn in global growth.</p>	The Wall Street Journal	10/07/2016	Rachel Rosenthal
What's News	<p>◆ U.K.-based banks are firming up plans for a "hard" Brexit in which Britain cuts trade links with the EU.</p>	The Wall Street Journal	10/07/2016	
What's News	<p>◆ Merkel signaled a tough stance on Brexit talks after Britain's May stressed curbs on immigration.</p>	The Wall Street Journal	10/07/2016	
What's News	<p>◆ Stocks tumbled on a weak start to the earnings season. The Dow fell 200.38 points to 18128.66.</p>	The Wall Street Journal	10/12/2016	
What's News	<p>◆ Natural-gas prices have climbed as the oil-drilling slump has led to a decline in crude byproducts.</p>	The Wall Street Journal	10/12/2016	
<i>Dollar Clouds Rate Path Surge in greenback, long-term bond yields stands to tighten financial conditions</i>	<p>The WSJ Dollar index rose for the eighth time in the past 10 trading days, hitting a high last seen in the spring. It has risen 2.4% this month. China set the value of the yuan at a six-year low Wednesday, while currencies in major emerging markets such as Brazil, Russia, Mexico declined against the dollar.</p> <p>The dollar's strengthening has been accompanied by an increase in long-term bond yields, reflecting wagers that the Fed will raise rates as soon as December, and an autumn recovery in market inflation expectations fueled by oil-price gains.</p> <p>The Dow Jones Industrial Average on Wednesday rose 15.54 points to 18144.20.</p> <p>But many investors say that continued rises in the dollar and bond yields could complicate the Fed's plans to raise interest rates this year for the second time since the financial crisis, by potentially spurring renewed capital outflows from emerging markets.</p>	The Wall Street Journal	10/13/2016	Min Zeng
<i>Banking's Dark Future Is a Wider Problem</i>	<p>An industry that can't earn more than its cost of capital is an industry destined to shrink. This matters to more than just the banks and their shareholders.</p> <p>When central banks ease the supply of credit, they rely on banks to transmit the benefits to the broader economy by making loans, handling trades and moving money between people, companies and countries. Shrinking, unprofitable banks hobble that transmission channel.</p>	The Wall Street Journal	10/13/2016	Greg Ip

What's News	♦ Fed officials decided only after much disagreement to hold rates steady in September but expected to raise them “relatively soon”, according to meeting minutes.	The Wall Street Journal	10/13/2016	
Talking Points	A recent study found that health costs make up a record 8% of an average household's budget. That is a 40% jump compared to 10 years ago, and a 21% increase since the Affordable Care Act took effect.	Market Watch		
History suggests Odds on Recession	<p>Economists in The Wall Street Journal's latest monthly survey of economists put the chance of the next downturn happening in the next four years at nearly 60%.</p> <p>...it is a recognition that the American economy has never grown for more than a decade without a recession. Over the next four years, something – whether exhaustion of the economy's cyclical momentum, a policy mistake by the Federal Reserve or some outside shock – could knock the economy off course.</p> <p>The current expansion began in June 2009, and has continued for 88 months, making it the fourth-longest period of growth in records going back to 1854.</p> <p>Economists see a 20% chance of a recession within the next year, ...</p> <p>The U.S. economy has grown at a 2.1% annual pace since 2009 – the slowest growth of any expansion after World War II. ...but now most forecast that the economy will continue to grow at this pace in coming years.</p>	The Wall Street Journal	10/14/2016	Josh Zumbrun
China Export Swoon Shakes Up Markets	<p>A sharp decline in China's exports rattled global markets while fueling increases in gold and government-bond prices, before U.S. stock indexes bounced back in afternoon trading.</p> <p>The Dow Jones Industrial Average declined 45.26 points, or 0.25%, to 18098.94, after earlier dropping as much as 184 points. Materials and energy stocks declined on fears that weakness in China could damp demand for energy and raw materials, ... The yield on the 10-year U.S. treasury note fell to 1.739%, indicating higher prices.</p> <p>“Weaker-than-expected Chinese trade readings have increased concerns that the pace of global growth will slow further”, said Dennis DeBusscherre, a macro research analyst at Evercore ISI.</p> <p>Official data released Thursday showed Chinese exports fell 10% year over year last month.</p>	The Wall Street Journal	10/14/2016	Corrie Driebusch and Chris Dieterich
Why the Economy Doesn't Roar Anymore	<p>The long boom after World War II left Americans with unrealistic expectations, but there's no going back to the unusual circumstances of that Golden Age.</p> <p>Whoever sits in the Oval Office next year will swiftly find that faster productivity growth – the key to faster economic growth – isn't something a president can decree. It might be wiser to accept the truth: the U.S. economy isn't behaving badly. It is just being ordinary.</p>	The Wall Street Journal	10/15-16/2016	Marc Levinson

	Historically, boom times are the exception, not the norm. That isn't true just in America. Over the past two centuries, per capita incomes in all advanced economies, from Sweden to Japan, have grown at compound rates at around 1.5% to 2% a year.			
What's News	Gains in financial shares lifted stocks, with blue chips closing up 39.44 points, to 18138.38.	The Wall Street Journal	10/15-16/2016	
Stocks Lose Support As Global Trade Slows	<p>Large managers like MassMutual Financial Group's Barings are ratcheting down their expectations for stock performance and lightening up on their holdings of stocks that have benefited most from globalization. Others, too, are switching from multinational companies.</p> <p>U.S. equity prices have been supported for the past three decades by an acceleration of global trade and a freer flow of capital. Those lifted economic growth and allowed companies to take advantage of new markets and economies of scale. The S&amp;P 500 is up nearly nine-fold since October 1986, according to FactSet.</p> <p>Global stock-index provider MSCI estimates that if policies such as trade protectionism and government deficit spending increase significantly in the developed world in the next two years, U.S. equities would shed more than 17%, while European equity markets would fall by close to 20%.</p> <p>Over the past 12 months, the MSCI Europe index is down 6.4%, while S&amp;P 500 is up 4.9%</p>	The Wall Street Journal	10/17/2016	Riva Gold and Georgi Kantchev
By the Numbers	Some Day – As of Friday 10/14/16. The bond market was priced to reflect a 7% chance of a Fed rate hike at its 11/02/16 meeting and a 69% chance of a rate hike at its 12/14/16 meeting (source: CME Group).	Direxion	10/17/2016	
By the Numbers	Looking Into the Future – 8 or 10 Wall Street equity strategists polled by Barron's on 12/12/15 forecasted a year-end 2016 closing value for the S&P 500 between 2100 and 2200. The S&P 500 index closed last Friday (10/14/16) at 2133 (source: Barron's).	Direxion	10/17/2016	
Central Bank Warms Up To Inflation	<p>The Fed has a 2% inflation target, but it prefers a separate, Commerce Department price index that tends to run cooler than the Labor Department's measure. Even so, with job-market strength steadily boosting consumer's spending power, this measure, too, may also show inflation above 2% sometime in the year ahead.</p> <p>The Fed's typical response has been to get in front of inflation before it picks up, but that approach was crafted when inflation was running higher than today.</p>	The Wall Street Journal	10/19/2016	Justin Lahart
What's News	China's drifting economy steadied in the third quarter, expanding by 6.7% from a year earlier.	The Wall Street Journal	10/19/2016	
What's News	U.S. stocks rallied on better-than-expected corporate earnings. The Dow rose 75.54 points to 18161.94.	The Wall Street Journal	10/19/2016	
Stimulus Measures Stabilize China's Economy	China's drifting economy steadied in the third quarter, expanding by 6.7% from the year earlier on a mix of easy credit, a hot property market and other stimulus...	The Wall Street Journal	10/19/2016	Mark Magnier



	Those measures, while helping for short-term growth, are masking deeper-set problems of industrial overcapacity and high levels of corporate debt, economists said. "They've pumped up growth with monetary and fiscal policy", said Alicia Garcia-Herrero, economist with investment bank Natixis, part of France's Groupe BPCE. "That's about all they have".			
What's News	◆ Saudi Arabia launched a \$17.5 billion bond sale, the largest ever by a developing country, as it seeks to diversify its economy.	The Wall Street Journal	10/20/2016	
What's News	◆ Energy shared climbed on an oil-price rally and bank stocks rose. The Dow gained 40.68 points to 18202.62.	The Wall Street Journal	10/20/2016	
Stocks End Week Up a Bit	Deal talks and earnings results sparked sharp moves in individual stocks, while the broader market was largely steady.  The S&P 500 notched a weekly gain after ending Friday's session little changed. Major indexes have swung between relatively small losses and gains in recent sessions, and daily stock-trading volumes have been below the 2016 average.  The Dow Jones Industrial Average fell 16.64 points, or 0.1%, to 18145.71 on Friday and rose less than 0.1% for the week. The S&P 500 slipped to 2141.16 and gained 0.4% for the week. The Nasdaq composite increased 15.57 points, or 0.3%, to 5257.4 for a weekly advance of 0.8%	The Wall Street Journal	10/22-23/2016	Daniel Huang and Riva Gold
Stocks Get Lift From Earnings Optimism <i>Strong results recently from companies could signal end to trend of quarterly declines</i>	The S&P 500 snapped a two-week losing streak on Friday after a number of better-than-expected results.  "both sales and earnings have been positive so far", said Michael Arone, chief investment strategist at State Street Global Advisors. "This quarter has the potential to end the earnings recession".  The Dow Jones Industrial Average rose 77.32 points, or 0.4%, to 18223.03...	The Wall Street Journal	10/25/2016	Riva Gold and Daniel Huang
What's News	◆ The Fed is likely to leave rates unchanged at its November policy meeting and remain focused on raising them in December.	The Wall Street Journal	10/25/2016	
America's Markets What to watch <i>The Dow's two-year trip to nowhere</i>	The Dow has taken investors on a wild ride to nowhere the past two years.  Wednesday, the Dow Jones industrial average, closed up 30 points at 18,199.33.  And while that stretched the Dow's gain for the year to 4.4%, its closing price is a reminder that the market has barely budged in almost two years.  ...the Dow, based on Wednesday's close, is just 175.16 points higher than it was 22 months ago. That equates to a price gain of just 0.97% - which means investors have seen the Dow grow at an annual pace of 0.5% the past two years. (The Dow' all time high is 18,636.05.)  To dub it a go-nowhere market, a sideways-trading market, a dud market or a dull market would be accurate.	USA Today	10/27/2016	Adam Shell

<p>Don't Fear a Recession Just Yet</p>	<p>The economic expansion is one of the longest on record, so it follows we are due for a recession. That fear, especially given how bad the last downturn was, has weighed on investors, companies and government officials.</p> <p>Those fears are misplaced, says Robert Barbera, co-director for the Center for Financial Economics at Johns Hopkins University. Age isn't what kills expansions, but excesses like an overheated job market, overinvestment, unmanageable debt and asset bubbles. None of those are present now in ways that could cause a slowdown.</p> <p>Indeed, one reason why the Federal Reserve has been so slow to raise rates is that the lack of excesses gives it little urgency to tighten.</p> <p>Spending by consumers and businesses isn't signaling a recession...</p> <p>The world is looking a little less perilous to U.S. companies, and profits appear as if they are growing again as a result.</p>	<p>The Wall Street Journal</p>	<p>10/27/2016</p>	<p>Justin Lahart</p>
<p>CEOs offer mixed picture of future <i>Earnings season has been blah, but there's signs of good to come</i></p>	<p>CEO's, it appears, aren't gung-ho about the U.S. economy's near-term chances of breaking free from its slow-growth malaise.</p> <p>Still, the outlook for the economy, while far from upbeat, isn't dreary, either.</p> <p>The downbeat sales and profit forecasts from many CEOs in the current profit-reporting season suggest the economy's trajectory in 2016's final quarter and beyond is not that much different than the below-trend growth we've been seeing.</p> <p>The mixed outlook comes as the earnings growth rate for the Standard &amp; Poor's 500 stock index has turned positive (+2.2%) in the third quarter for the first time in four quarters.</p> <p>Tepid company forecasts are to blame for the lack of enthusiasm from Wall Street, where lost momentum in the stock market has left the S&amp;P 500 around 2% below its August record.</p>	<p>USA Today</p>	<p>10/27/2016</p>	<p>Adam Shell</p>
<p>Inflation Fear Shakes Bonds</p>	<p>Investors worried for years about the prospect of deflation. Now another concern – inflation – is starting to rattle global markets.</p> <p>Rich-country government-bond prices tumbled Thursday, sending yields on both sides of the Atlantic up to levels unseen since the U.K.'s vote to exit from the European Union in June.</p> <p>In the U.S., the yield on the 10-year U.S. Treasury note surged to 1.843%...</p> <p>The German bund's yield rose to 0.172%. And the 10-year U.K. gilt yield ended the day at 1.246%....</p> <p>Nobody is predicting 1970s-style galloping prices. Indeed, inflation remains below central bankers' targets in many rich countries, despite years of extraordinary efforts to push growth and inflation higher. But markets have been so shaped by the years of low inflation that even small increases could have a large effect, particularly in fixed income.</p>	<p>The Wall Street Journal</p>	<p>10/28/2016</p>	<p>Mike Bird</p>

	In the year to September, consumer inflation was 1.5% in the U.S. and 0.4% in the euro-zone.			
Stocks Tripped Up by Government Bonds <i>Yield-sensitive shares follow Treasurys lower; earnings and deals also drive prices</i>	<p>U.S. stocks fell as a selloff in government bonds hit yield-sensitive sectors such as real estate and utilities.</p> <p>Meanwhile, reports from roughly half of the S&amp;P 500 companies suggest earnings may grow after five consecutive quarters of declines. But some analysts said earnings gains haven't been enough to prompt investors to make big moves ahead of events such as the U.S. presidential election...</p> <p>The Dow Jones Industrial Average fell 29.65 points, or 0.2%, to 18169.68. The S&amp;P 500 shed 6.39 points, or 0.3%, to 2133.04, and the Nasdaq Composite lost 34.29 points, or 0.7%, to 5215.97.</p>	The Wall Street Journal	10/28/2016	Aaron Kuriloff and Christopher Whittall
Inflation Worries Dominate	<p>The inflation rate is back on Wall Street.</p> <p>Demand is rising for a broad swath of financial assets that typically gain ground when consumer prices are expected to rise. The winners include inflation-protected government bonds in the developed world as well as commodities such as, oil, zinc, iron ore and aluminum.</p> <p>Market-based inflation expectations, reflecting yields on TIPS subtracted from the yields on nominal government bonds, hit their highest level in more than a year.</p>	The Wall Street Journal	10/29-30/2016	Min Zeng, Ira Iosebashvili and Aaron Kuriloff
What's News	◆ U.S. economic growth advanced at a 2.9% rate in the third quarter, the strongest reading in two years.	The Wall Street Journal	10/29-30/2016	
What's News	◆ U.S. stocks fell, ending a week dominated by earnings. The Dow slipped 8.49 points to 18161.19.	The Wall Street Journal	10/29-30/2016	
What's News	◆ Inflation is showing signs of stirring, though it remains below the Red target. Core inflation reached a two-year high of 1.7% last quarter; wages rose 2.4%.	The Wall Street Journal	10/31/2016	
What's News	◆ The stock-market gauge of volatility rose Friday, reflecting investors' increased worry about turmoil.	The Wall Street Journal	10/31/2016	

"Great minds discuss ideas; average minds discuss events; small minds discuss people." Eleanor Roosevelt

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