



THE WEEK IN REVIEW

The number of Americans filing for first-time unemployment benefits fell to a near 42-year low last week, pointing to ongoing tightening in the labor market despite the recent slowdown in hiring. Data released this week provided a more upbeat outlook on the health of the labor market after last week's monthly employment report fueled doubts the Federal Reserve would raise interest rates by the end of this year. Initial claims for state unemployment benefits dropped 13,000 to a seasonally adjusted 263,000 for the week ended Oct. 3, according to the Labor Department. This is the lowest level since mid-July when the number of claims dropped near 1973 lows. It was also the 31st straight week that claims remained below the 300,000 threshold, which is usually associated with a strengthening labor market.

Minutes from the September FOMC meeting were released Thursday, providing further insight into the decision to hold off raising interest rates for the time being. Stock market volatility and concerns about the financial situation in China were the chief reasons the Federal Reserve decided to keep rates unchanged, with many members feeling the recent global financial developments have increased the downside risks to economic developments. Fed members are waiting for more positive data to confirm the economy is in fact growing at a moderate pace and for further improved labor market conditions. Many members believe these conditions could still be met later this year, although the minutes show several members remain concerned, providing further speculation as to when a rise in rates would come – either later this year or sometime in 2016.

Commodities experienced their biggest weekly advance in three years as the Bloomberg Commodities Index advanced 3.55% led by a 10% jump in crude oil based on speculation an increase in demand will ease a global glut. Zinc prices surged the most on record as Glencore, the biggest producer of the metal, stated its plans to cut output by about a third.

U.S. equities had one of their best weeks of the year, and the S&P 500 closed above 2,000 for the first time since Aug. 20. A strong start to the week tapered off toward the end as Alcoa kicked off the third quarter earnings season late Thursday by missing expectations when aluminum prices faltered, tempering investors' optimism from the recent stock rally. European markets also had a strong week, with the Stoxx Europe 600 Index finishing up six consecutive days, the longest streak since July, buoyed by the Fed's decision not to raise interest rates.

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	17,084.49	3.72%	-4.14%	2.55%
NASDAQ	4,830.47	2.61%	1.99%	12.96%
S&P 500 LargeCap	2,014.89	3.26%	-2.14%	5.71%
S&P 400 MidCap	1,442.46	4.07%	-0.69%	8.65%
S&P 600 SmallCap	687.76	5.06%	-1.08%	11.38%
MSCI EAFE	1,758.17	5.35%	-0.94%	-1.57%
MSCI Emerging Markets	848.37	5.51%	-11.29%	-15.86%
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Barclays Aggregate US		-0.34%	1.12%	1.96%
Bloomberg Non-US Govt Bond		1.00%	-0.59%	1.43%
Bloomberg US Treasury Index		-0.62%	1.62%	2.80%
Bloomberg High Yield Index		1.96%	-0.33%	-2.63%
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FTSE/NAREIT All REIT Index		3.37%	-3.12%	5.75%
Bloomberg Commodity Index		3.55%	-12.77%	-23.42%
KEY BOND RATES		WEEK	1 MO AGO	1 YR AGO
3-Month T-Bill		0.01%	0.03%	0.01%
2-Year Treasury		0.65%	0.75%	0.46%
5-Year Treasury		1.41%	1.53%	1.58%
10-Year Treasury		2.12%	2.21%	2.34%
30-Year Treasury		2.94%	2.96%	3.07%
Municipal Bond Yields (10 Yr)		2.09%	2.28%	2.11%
Price return as of the last available closing data. Source data: Bloomberg and Morningstar are believed to be correct but not verified.				

UPCOMING WEEK

Next week has its share of economic data releases, even with the Columbus Day holiday on Monday. On Wednesday the Producer Price Index (PPI) final demand measure will be released, along with retail sales, a major indicator of consumer spending trends. The Consumer Price Index (CPI) and initial jobless claims will be published on Thursday, and the Job Openings and Labor Turnover Survey (JOLTS) is scheduled to be released Friday, along with Industrial Production and Consumer Sentiment.

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