



**THURSDAY SEPTEMBER 29, 2016**

	PRICE	CHANGE	VOLUME	UP/DN %	UP/DN VOL %
Dow:	18,143.45	-195.79	<b>4.21</b>	25	37
Nasdaq:	5,269.15	-49.39	<b>1.94</b>	32	45
S&P 500:	2,151.13	-20.24			
10 yr note:	1.56%	-1bps			
Volatility:	14.02	+1.63			
EUR-USD:	1.122	unch	Crude Oil:	47.83	+0.78
USD-JPY:	101.11	+0.38	CRB-Com:	185.83	-0.07



Markets selloff on bank fears, sending the Dow (-1.1%), S&P 500 (-0.9%) and Nasdaq (-0.9%) lower. The S&P fell the most in 2 weeks, dragged down by bank (-1.5%) and biotech (-3%) shares. Fears surrounding Deutsche Bank's derivative clients pulling their funds reverberated among bank stocks. Volatility (+13%) consequently jumped.

## **ECONOMIC REPORTS:**

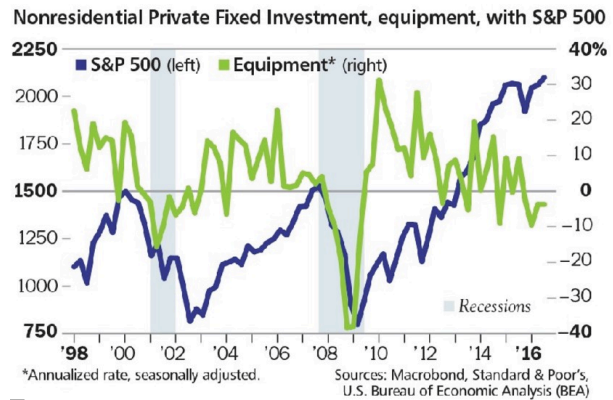
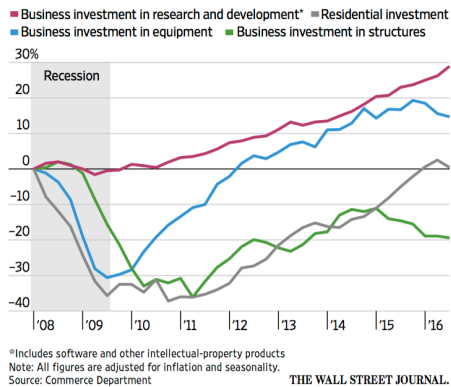
**August Pending Home Sales:** -2.4%. Three out of 4 regions declined in August, marking the 3<sup>rd</sup> decline in the past 4 months. Pending sales are now 0.2% lower over the past year.

**Weekly Jobless Claims:** +2,000 to 254,000. Jobless claims gain, but remain near historical lows. Nevertheless their 4-week average still fell 2,500 to 256,000 while continuing claims fell 46,000. Continuing claims are now 83,000 lower over the past month, a good sign for next Friday's employment report.

**2Q GDP:** +1.4%. The final reading for second quarter growth showed a slight pickup from the first quarter's 0.8% pace, but still well below this expansion's 2.1% average annual rate. Fed policy makers, as well as most of the Street, expect growth to average 1.8% for the full 2016 year, implying a pickup in activity in the latter half of the year as inventories, which have contracted for 5 consecutive quarters, begin to rebalance. The most encouraging sign within this report: nonresidential fixed investment was revised from a 0.9% decline to a 1% gain, as slumbering business investment begins to wake.

Growth compared to the past 3 post-recession recoveries:

1983-1990:	4.3%
1991-2000:	3.8%
2002-2007:	2.8%
Current:	2.1%



**August International Trade in Goods:** exports: +0.7%, imports: +0.3%. goods exports grew despite a 3.5% decline in foods exports, boosted by strength in industrial supplies, vehicles and consumer goods. This report hints that the prolonged slump in inventory investment could be nearing an end.

**August Wholesale Trade:** -0.1%. Wholesale inventories fell 0.1% as nondurables (-0.6%) offset a gain in durable (+0.1%) inventory levels. Nevertheless preliminary data showed both retail (+0.5%) and vehicle (+1%) inventories rising.

**Weekly Bloomberg Consumer Sentiment:** +0.3 to 41.6. Consumer sentiment rebounds over the past week, but remains mired near its lows for the year. In stark contrast, the Conference Board's confidence indicator hit a 9 year high on Tuesday.