



TUESDAY OCTOBER 4, 2016

	PRICE	CHANGE	VOLUME	UP/DN %	UP/DN VOL %
Dow:	18,168.45	-85.40	3.72	36	44
Nasdaq:	5,289.66	-11.22	1.71	59	63
S&P 500:	2,150.49	-10.71			
10 yr note:	1.68%	+6bps			
Volatility:	13.63	+0.06			
EUR-USD:	1.121	unch	Crude Oil:	48.69	-0.12
USD-JPY:	102.90	+1.29	CRB-Com:	187.30	+0.27



Markets fall as investors await higher rates. Both the Dow and S&P 500 fell 0.5% while the Nasdaq (-0.2%) fell marginally. Money poured out of utilities (-2.2%) and telecom (-1.2%), and into financials (+0.3%) today, a trend that will continue into the Fed's December meeting. The dollar (+0.6%) jumped to its highest level in 1 month as Loretta Mester, from the Cleveland Fed, reminded markets of her willingness to vote for a rate hike at the end of the year. Commodities suffered as a consequence, hitting gold (-3.3%) the most in 3 years and leaving it at a 3-month low. Nevertheless gold (+19%) and silver (29%) are still higher this year. Oil prices (-0.2%) survived today's dollar rally, as they have for the past month, signaling relative strength. Stocks in Europe (+0.8%) and Japan (+0.8%) gained today. The pound fell again, extending the past 2 days of losses to -1.9%.

The homeownership rate in the US has fallen to its lowest rate in its history, 62.9%. Large banks purchased a majority of the homes that were sold during the recent crisis, attributing to the 6 year decline. The banks have rented their immense portfolio of homes to people unable to get a mortgage due to tighter bank lending. Perhaps a conflict of interest.

ECONOMIC REPORTS:

No economic reported were released today.

