



TUESDAY NOVEMBER 29, 2016

	PRICE	CHANGE	VOLUME	UP/DN %	UP/DN VOL %
Dow:	19,121.60	+23.70	3.69	93	67
Nasdaq:	5,379.92	+11.11	1.77	93	111
S&P 500:	2,204.66	+2.94			
10 yr note:	2.30%	-2bps			
Volatility:	12.89	-0.26			
EUR-USD:	1.065	+0.005	Crude Oil:	45.23	-1.85
USD-JPY:	112.39	+0.30	CRB-Com:	183.98	-3.78



Markets rebound from Monday's pullback on higher volume as the Dow (+0.1%), S&P 500 (+0.1%) and Nasdaq (+0.2%) gain. So far this month, the Dow has rallied 5.4% while both the S&P 500 and Nasdaq are 3.7% higher, their best monthly gains since March. Volatility (-2%) eased today while treasury yields continued to retreat from Friday's high of 2.37%. So far this month, municipal bonds (-3.03%) have underperformed corporate (-2.58%), treasury (-2.48%), and junk (-0.57%) debt. The dollar (-0.1%) also fell after rallying as much as 0.5% following this morning GDP data. The Nikkei (-0.1%) fell for a second day while Italians markets (+2.1%) rallied. Nevertheless Italy remains the worst performing developed market so far this year (-22.7% ytd) as traders brace for Sunday's referendum on their constitution (and broader EU involvement).

A trade would have lost 12% today... -4A trailing stop at 0.4 would have sold out exactly at the bottom of this morning's dip. Fortunately trade was rejected because the open of next bar was 4 cents higher and that pushed the contract calc over buying power. Adjusted buying power and changed trailing stop to 0.6.

ECONOMIC REPORTS:

3Q GDP: +3.2%. Third quarter growth revisions exceed expectations, hitting their strongest level in 2 years as stronger consumer spending (+2.8%) outweighs lagging business investment (+0.1%; fixed nonresidential investment). Corporate profits (+5.2%) also gained, their first annual increase since late 2014 and strongest growth since late 2012. Excluding energy related losses, earnings would have gained 7.9% (Reuters). So far profits for the S&P 500 have gained 3.2% in the third quarter (96% reported).

September Case Shiller: +0.4%. The average home price is now 0.1% higher than its July 2006 peak, even though adjusting for inflation prices are still 16% below their peak. While home prices have recovered

significantly, rising 27% from their 2012 low, growth has been uneven and focused mainly in larger cities. More dispersed indexes such as Zillow still remains 2.7% below their records (WSJ).

November State Street Investor Confidence: -0.2 to 99.1. Global investor confidence falls following 2 months of steep gains, hindered by lagging sentiment in Asia (-4.6 to 116.1) and Europe (-2.6 to 86.5). North American (+0.1 to 95.7) sentiment gained marginally in November.

November Consumer Confidence: +6.3 to 107.1. Consumer confidence jumps to its highest level since July 2007 following the US election, mirroring record gains in US equities. Nevertheless inflation expectations pulled back for a second month after a hitting a year-to-date high (5%) in September.

	November:	Change:
Current Conditions:	130.3	+9.7
Expectations:	91.7	+7.8
Inflation Exp:	4.7%	-10bps