

## Commentary

October 12, 2015

### The Markets

They're investors. They're allowed to change their minds.

Just a few weeks ago, on September 17, the Federal Reserve Open Market Committee (FOMC) decided to leave the fed funds rate unchanged. In part, this was because, "Recent global economic and financial developments may restrain economic activity somewhat and are likely to put further downward pressure on inflation in the near term."

The next day, September 18, stock markets tumbled. By the time September was over, many markets had closed on their worst quarter in four years, according to the *BBC*. The Dow Jones Industrial Average fell by almost 8 percent, Britain's FTSE 100 was down 7 percent, Germany's Dax was off by almost 12 percent, and the Shanghai Composite lost more than 24 percent.

Last week, on Thursday, the minutes of the FOMC meeting were released. Investors' response was quite different. *Barron's* reported many believe a rate hike during 2015 is less likely than it once was, and that reinvigorated investor optimism:

"Going into Friday's session, global equity markets' valuations were enriched by some \$2.5 trillion, according to Bloomberg calculations. As for U.S. stocks, Wilshire Associates reckons that they tacked on 3.44 percent, or approximately \$800 billion, over the full week, based on the gain in the Wilshire 5000 index, their biggest weekly gain in nearly 12 months."

Why does the same news elicit two very different responses? There are many reasons. Foremost among them is the fact a lot of elements influence markets – investor confidence, company valuations, central bank actions, automated trading, and many others.

What does last week's upward push mean? One analyst cited by *Barron's* suggested we're seeing a bear market rally, but only time will tell.

Data as of 10/9/15	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 (Domestic Stocks)	3.3%	-2.1%	4.5%	11.8%	11.6%	5.4%
Dow Jones Global ex-U.S.	5.5	-3.5	-4.5	2.8	0.4	1.7
10-year Treasury Note (Yield Only)	2.1	NA	2.3	1.7	2.4	4.4
Gold (per ounce)	1.0	-4.0	-6.1	-13.4	-3.2	9.3
Bloomberg Commodity Index	3.6	-12.8	-23.4	-14.9	-8.9	-6.2
DJ Equity All REIT Total Return Index	3.4	0.0	10.8	10.8	12.0	7.8

S&P 500, Dow Jones Global ex-US, Gold, Bloomberg Commodity Index returns exclude reinvested dividends (gold does not pay a dividend) and the three-, five-, and 10-year returns are annualized; the DJ Equity All REIT Total Return Index does include reinvested dividends and the three-, five-, and 10-year returns are annualized; and the 10-year Treasury Note is simply the yield at the close of the day on each of the historical time periods.

Sources: Yahoo! Finance, Barron's, djindexes.com, London Bullion Market Association.

Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly. N/A means not applicable.

**DO YOU HATE DOING THE LAUNDRY? THEN, YOU MAY BE IN LUCK.** The world's most recent laundry bot was introduced at Japan's 2015 Combined Exhibition of Advanced Technologies (CEATEC), a technology trade show. *The Telegraph* reported the robot was developed to eliminate the tedium of laundry, which (as moms and dads everywhere know) is one of the least popular household chores. Not only does 'Laundroid' wash and dry clothes, it also can sort them, fold them, and put them away in a cupboard.

If you're thinking, it sounds to good to be true, you're right – for now. *Digital Trends* pointed out Laundroid works quite slowly:

"The last laundry-folding robot we saw in action took a long time to get a small towel neatly folded into a little rectangle, and that was with the video sped up. Laundroid is no faster, based on a demonstration at the CEATEC...It took several minutes for the robot – hidden inside a futuristic-looking black cabinet – to fold up a freshly washed T-shirt, according to Engadget. Although it did the task decently, if not in Martha Stewart-approved style, it's obviously not ready to take on a basket full of jeans and sheets."

The fly in the ointment is the bot must determine a shirt is a shirt, and a pair of pants is a pair of pants, and so on, before it can fold items. After all, each item is folded differently. Socks, it seems, pose a particularly ticklish challenge. So, how long does it take? Laundroid needs about seven hours to fold a basket of clothes.

If you have a lot of laundry, you may want to check back in a few years.

## Weekly Focus – Think About It

“Human subtlety will never devise an invention more beautiful, more simple, or more direct than does nature because in her inventions nothing is lacking, and nothing is superfluous.”

--Leonardo da Vinci, *Inventor*

- \* These views are those of Peak Advisor Alliance, and not the presenting Representative or the Representative's Broker/Dealer, and should not be construed as investment advice.
- \* This newsletter was prepared by Peak Advisor Alliance. Peak Advisor Alliance is not affiliated with the named broker/dealer.
- \* Government bonds and Treasury Bills are guaranteed by the U.S. government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value. However, the value of fund shares is not guaranteed and will fluctuate.
- \* Corporate bonds are considered higher risk than government bonds but normally offer a higher yield and are subject to market, interest rate and credit risk as well as additional risks based on the quality of issuer coupon rate, price, yield, maturity, and redemption features.
- \* The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. You cannot invest directly in this index.
- \* The Standard & Poor's 500 (S&P 500) is an unmanaged index. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment.
- \* The Dow Jones Global ex-U.S. Index covers approximately 95% of the market capitalization of the 45 developed and emerging countries included in the Index.
- \* The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.
- \* Gold represents the afternoon gold price as reported by the London Bullion Market Association. The gold price is set twice daily by the London Gold Fixing Company at 10:30 and 15:00 and is expressed in U.S. dollars per fine troy ounce.
- \* The Bloomberg Commodity Index is designed to be a highly liquid and diversified benchmark for the commodity futures market. The Index is composed of futures contracts on 19 physical commodities and was launched on July 14, 1998.
- \* The DJ Equity All REIT Total Return Index measures the total return performance of the equity subcategory of the Real Estate Investment Trust (REIT) industry as calculated by Dow Jones.
- \* Yahoo! Finance is the source for any reference to the performance of an index between two specific periods.
- \* Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance.
- \* Economic forecasts set forth may not develop as predicted and there can be no guarantee that strategies promoted will be successful.
- \* Past performance does not guarantee future results. Investing involves risk, including loss of principal.
- \* You cannot invest directly in an index.
- \* Consult your financial professional before making any investment decision.
- \* Stock investing involves risk including loss of principal.

Sources:

<http://www.federalreserve.gov/newsevents/press/monetary/20150917a.htm>  
<http://www.theguardian.com/business/live/2015/sep/18/asian-stock-markets-mixed-as-us-federal-reserve-keeps-rates-on-hold-live>  
<http://www.bbc.com/news/business-34401041>  
[http://www.barrons.com/articles/stocks-rise-more-than-3-as-investors-regain-their-stride-1444457045?mod=BOL\\_hp\\_we\\_columns](http://www.barrons.com/articles/stocks-rise-more-than-3-as-investors-regain-their-stride-1444457045?mod=BOL_hp_we_columns) (or go to [http://peakclassic.peakadvisoralliance.com/app/webroot/custom/editor/10-12-15\\_Barrons-Stocks\\_Rise\\_More\\_than\\_3\\_Percent\\_as\\_Investors\\_Regain\\_Their\\_Stride-Footer\\_4.pdf](http://peakclassic.peakadvisoralliance.com/app/webroot/custom/editor/10-12-15_Barrons-Stocks_Rise_More_than_3_Percent_as_Investors_Regain_Their_Stride-Footer_4.pdf))  
[http://www.barrons.com/articles/u-s-debt-ceiling-drama-1444451519?mod=BOL\\_hp\\_we\\_columns](http://www.barrons.com/articles/u-s-debt-ceiling-drama-1444451519?mod=BOL_hp_we_columns) (or go to [http://peakclassic.peakadvisoralliance.com/app/webroot/custom/editor/10-12-15\\_Barrons-US\\_Debt-Ceiling\\_Drama-Bad\\_Actors\\_Tired\\_Script-Footer\\_5.pdf](http://peakclassic.peakadvisoralliance.com/app/webroot/custom/editor/10-12-15_Barrons-US_Debt-Ceiling_Drama-Bad_Actors_Tired_Script-Footer_5.pdf))  
<http://www.telegraph.co.uk/news/worldnews/asia/japan/11922590/Worlds-first-laundry-folding-robot-unveiled-in-Japan.html>  
<http://www.digitaltrends.com/home/the-laundroid-is-a-laundry-folding-robot/#ixzz3oClifdAN>  
[http://www.brainyquote.com/quotes/quotes/l/leonardoda402461.html?src=L\\_inventions](http://www.brainyquote.com/quotes/quotes/l/leonardoda402461.html?src=L_inventions)



### Email Me About This Topic

Or feel free to email me about anything that I can assist you with.



### Schedule an Appointment

Let's get together and work on your life and financial plans.



RAI Wealth  
1700 Park Street, Suite 110  
Naperville, IL  
60563

<http://www.raiwealth.com>

All information herein has been prepared solely for informational purposes, and it is not an offer to buy or sell, or a solicitation of an offer to buy or sell any security or instrument or to participate in any particular trading strategy. Securities and investment advisory services offered through National Planning Corporation (NPC), NPC of America in FL & NY.



[Unsubscribe](#)

Member FINRA/SIPC, and a Registered Investment Adviser. Registered Representatives of NPC may transact securities business in a particular state only if first registered, excluded or exempted from Broker-Dealer, agent or Investment Adviser Representative requirements. In addition, follow-up conversations or meetings with individuals in a particular state that involve either the effecting or attempting to effect transactions in securities, or the rendering of personalized investment advice for compensation, will not be made absent compliance with state Broker-Dealer, agent or Investment Adviser Representative registration requirements, or an applicable exemption or exclusion. Retirement Advisors, Inc., FMG, LLC and NPC are separate and unrelated companies. Unless otherwise noted, all videos and presentations are developed and produced by FMG, LLC. Services mentioned may be offered through third parties. NPC Privacy Policy

100733