Weekly Market Guide

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E. William Stone, CFA® CMT

Marsella Martino

Rebekah McCahan

Chief Investment Strategist

Senior Investment Strategist

Investment Strategist

Investment Strategist Commentary: This week features a host of potential market-moving data points. Third-quarter earnings season is in full force: 144 of the S&P 500® firms are on tap to report financials this week. The economic calendar is packed with the release of many previously scheduled then delayed indicators due to the 16-day government shutdown; as such, our calendar below is biased toward U.S. data as we attempt to catch up. The September jobs report is scheduled for Tuesday; the unemployment rate is forecasted unchanged from August's 7.3%. On Thursday, we get our first peek at PMI figures for the Eurozone, as well as for several key member countries; data are expected to point to

October HSBC flash manufacturing PMI on Thursday is expected to indicate continued growth in the fourth quarter. 3Q U.K. GDP is expected to be consistent with modest continued growth. The Bank of Canada is expected to keep rates unchanged at 1.0% on Wednesday. Week in Review: In a nod to 2011, once again lawmakers agreed to a short-term solution to the continuing resolution and debt ceiling debates at the eleventh hour (see our October 8 Market Update, Debt Ceiling Déjà Vu), and the U.S. government reopened for business. Third-quarter earnings season picked up steam; approximately 20% of the firms in the S&P 500 have reported third-quarter profits to date. Of those, 69% have surprised on the upside. A more moderate 53% of reporting firms have exceeded Street estimates for revenue growth. Beijing released third-quarter GDP figures for China, noting 7.8% growth, a pickup from last guarter's 7.5%

continued expansion, evidence that the region's economic condition is slowly strengthening. After China's 3Q GDP report last week, the

		Domest	ic Equities				
	Last wk (%)	YTD (%)	52-wk (%)	P/E (x)	P/E fwd (x)	Div yld (%)	
S&P 500	2.43	22.32	21.72	15.58	15.85	1.97	
S&P 500 Growth	2.76	22.23	21.03	17.07	17.35	1.80	
S&P 500 Value	2.07	22.42	22.54	14.46	14.79	2.24	
S&P Mid-Cap 400	2.33	26.48	30.71	20.01	18.77	1.36	
S&P Small-Cap 600	2.80	32.77	37.91	21.24	21.35	1.12	
FTSE NAREIT Equity	2.94	5.93	7.02	-	-	3.50	
	Global Equities						
	Last wk (%)	YTD (%)	52-wk (%)	P/E (x)	P/E fwd (x)	Div yld (%)	
World	2.27	15.07	17.95	15.01	15.25	2.38	
MSCI EAFE	2.49	17.11	21.47	19.58	13.13	3.12	
MSCI EM	1.90	-1.25	3.45	12.27	10.01	2.61	
Developed							
Japan	1.33	25.09	29.72	14.62	15.12	1.76	
U.K.	3.81	14.95	17.81	18.81	14.62	2.98	
Germany	2.70	18.49	25.02	13.04	14.04	2.80	
Canada	2.83	2.58	2.91	15.05	16.48	2.95	
Emerging							
China	-0.31	6.51	12.28	13.27	10.94	2.56	
South Korea	2.14	4.42	10.13	11.66	11.73	1.27	
EMEA	2.29	0.49	5.40	10.20	10.38	3.32	
Latin America	1.91	-7.90	-5.92	15.38	16.03	3.00	

iiii tast qual tei \$ 7.3%.					
	Econo	mic Data	Consensus	Previous	
	10/21	US Existing Home Sales (m/m)	-3.3%	1.7%	
	10/21	US Industrial Production (m/m)	0.4%	0.4%	
	10/21	US Retail Sales (m/m)	0.0%	0.2%	
	10/21	US Building Permits	935k	926k	
	10/21	US Housing Starts	910k	891k	
	10/21	US Leading Index	0.6%	0.7%	
	10/22	US Unemployment Rate	7.3%	7.3%	
	10/22	US Nonfarm Payrolls	180k	169k	
	10/23	US House Price Index	0.8%	1.0%	
	10/23	US Import Price Index (m/m)	0.2%	0.0%	
	10/24	US Jobless Claims	340k	358k	
	10/24	US JOLTs Job Openings	3765	3689	
	10/24	US Markit Preliminary PMI	52.3	56.2	
	10/24	US New Home Sales (m/m)	1.0%	7.9%	
	10/24	FR PMI Manufacturing	50.1	49.8	
	10/24	GE PMI Manufacturing	51.5	51.1	
	10/24	EC PMI Manufacturing	51.4	51.1	
	10/25	GE IFO Business Climate	108.0	107.7	
	10/25	US Durable Goods Orders	2.0%	0.1%	
	10/25	UK GDP	0.8%	0.7%	

Alternative Assets									
	Last wk	Last wk	YTD (%)	52-wk					
	price	rtn (%)		(%)					
DJ/UBS	128.9	0.42	-7.46	-12.08					
HFRX Macro	1130.5	0.24	-3.05	-1.23					
TIPS Index	276.5	0.45	-7.00	-6.44					
Rates									
	Friday Close	3-mo ago	6-mo	12-mo					
	(%)	(%)	ago (%)	ago (%)					
Fed Funds	0.10	0.09	0.15	0.15					
Prime	3.25	3.25	3.25	3.25					
2-yr Treas	0.33	0.32	0.24	0.29					
10-yr Treas	2.60	2.56	1.72	1.86					
30-yr Mgt	4.23	3.65	3.47	3.49					
IG Yield	3.25	3.32	2.70	2.80					
HY Corp	6.51	6.51	6.30	6.84					
C	Currencies/Commodities/Volatility								
\$ Index	79.65	83.60	83.05	79.65					
\$per€	1.37	1.31	1.31	1.31					
\$ per £	1.62	1.52	1.53	1.61					
¥ per\$	97.77	100.63	98.23	79.24					
Gold	old 1314.60		1392.50	1744.70					
Crude Oil	100.81	108.04	87.73	92.10					
VIX	13.04	13.77	17.56	15.03					

PNC's WEEKLY CHART

The U.S. Dollar Index (DXY), which compares the dollar with a basket of six major currencies, appears more weary of taper talks, debt ceiling, and government shutdowns than the equity markets. The DXY has given back almost all of its mid-year gains. Whereas in February the DXY was trading on an upward trajectory, the current path seems less certain, particularly when considering a strengthening Eurozone, among other factors. However, as we have noted before (see our May Investment Outlook, Undeclared Currency Wars), foreign exchange is nothing if not unpredictable.





Sources: FactSet Research Systems, Dow Jones UBS Index, Barclays Capital, Bankrate.com, Chicago Board Options Exchange, Bloomberg, Bank of America/ Merrill Lynch, HFR Asset Management, LLC, MSCI

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