

Your weekly market update

[View this email in your browser](#)



Market Update

18 March 2016

Filings for America's unemployment benefits declined for a third consecutive week, signalling sustained firming in the labor market.

Jobless claims fell to 267,000 in the week ended May 28, a Labor Department report showed Thursday. The median forecast of economists surveyed by Bloomberg called for applications to edge up to 270,000. Another report Thursday showed private payrolls increased by 173,000 in May after a revised 166,000 gain a month earlier, according to the ADP Research Institute.

Employers likely added 160,000 workers to payrolls in May for a second month, while the jobless rate dropped to 4.9 percent from 5 percent, according to Bloomberg survey medians before Friday's Labor Department report. After averaging 208,000 in the first quarter, economists project job gains to slow to an 185,000 monthly pace by year-end.

Investors are pricing in a 20 percent probability that Fed officials will raise interest rates at their June meeting, while there's a 52 percent likelihood of a rate hike by July.

Housing starts rose 6.6 % to a seasonally adjusted annual rate of 1,172,000 in April 2016, compared to an upwardly revised 1,099,000.00 in the previous month. The figure came in above market expectations of 1,127,000 thousand, boosted by single-family housing starts. Meanwhile, building permits went up 3.6



Ahmet Jakupi Financial Solutions (AJFS) is a leading integrated solutions private wealth management firm.

We are Fiduciaries for our clients, serving their interests, building long-term trusting relationships and partnerships for over 20 years. As Fiduciaries we are completely focused on serving our client's interest and adding value to their lives

[For more info](#)

please visit our website

www.ahmetjakupi.com

[or contact us at:](#)

Tel: 1-519-570-4754

Fax: 1-519-954-4754

email: ahmet@ahmetjakupi.com

twitter: @jakupiahmet



Not a client, [SUBSCRIBE HERE](#) for a complimentary 30-

percent, following a 7.3 percent drop in March. Housing Starts averaged 1,441,610 from 1959 until 2016, reaching an all time high of 2,494,000 in January of 1972 and a record low of 478,000 in April of 2009.

After years of volatility, home prices have grown at a rate around 5% since early 2015 which bodes well for sellers heading into the peak home selling season in May and June. This could pose challenges for buyers, especially first-timers who may be priced out of the market as supply, particularly among starter homes, remains thin.

Wages increased 5.2% in April of 2016 over the same month in the previous year. Wage growth averaged 6.31% from 1960 until 2016, reaching an all time high of 13.77% in January of 1979 and a record low of -5.77% in March of 2009.

University of Michigan's consumer sentiment came in at 94.7 in May of 2016. The current conditions index rose to its highest since January 2007. Consumer Confidence averaged 85.87 from 1952 until 2016, reaching an all time high of 111.40 in January of 2000 and a record low of 51.70 in May of 1980.

Politically, Americans want change and change is coming. Given the underlying demand for change and the necessity for America to transition to fiscal policy stimulus and slowly move away from monetary stimulus, change will occur in November. Regardless of who wins the federal election and leads the world's super power, change will occur democratic or republican.

The European Central Bank released the following statement which caused the Euro dollar to tumble. "At today's meeting, which was held in Vienna, the Governing Council of the ECB decided that the interest rate on the main refinancing operations and the interest rates on the marginal lending facility and the deposit facility will remain unchanged at 0.00%, 0.25% and -0.40% respectively." It is clear the Euro zone must maintain a negative interest rate to suppress the Euro dollar and keep German manufacturing alive. This all out strategy of fueling the Uber German economy will come

day access to our news service

Visit [OUR BLOG](#) for more financial advice and tips!

at a steep price down the road for the ECB. Britain wants out of this future burden.

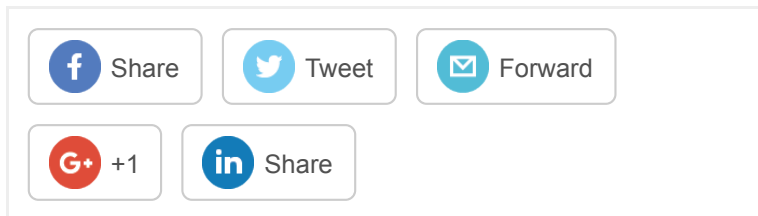
China's economic well being does ripple deeply throughout the globe. What we are seeing in the dragon nation is more of a shifting of the broad economic engine from manufacturing export lead growth to internal consumption lead growth. On the surface this should be an easy thing to achieve as China has the largest consumer population in the world. In reality Asia as a whole is aging fast and does not have the economic spending power to sustain the over capacity built by state run enterprise. So politburo leaders will default to unhealthy practises of product dumping exports at below market prices just to keep their factories open. Now that China is in the refinement of petroleum products every expectation that product dumping will happen to gasoline, diesel and jet fuel prices. Energy reports indicate that China is refining at a rate of 150% beyond domestic needs for petroleum products. Such an impact of energy products will definitely play out as deflation. China's lack of growth can affect inflation rates and monetary policy in other countries. China will be heading into a lost decade or two before turn around is complete. Japan had three lost decades before their economic great freeze started to thaw.

Energy prices and oil are centre stage again this week as two major announcements hit the market. OPEC has failed to reach an agreement on establishing a market cap on oil prices going forward. However, Saudi Arabia did pledge to hold production at current levels. As the news traveled, oil prices declined temporarily rebounding leaving oil for December delivery for Brent, WTI and New York higher. Why OPEC is not affecting market prices as much lately are ground on two factors: Growing global consumptions and reduction in over supply. A rapid decline in oil rig count over the last 12 months saw oil inventories draw down quicker with the first quarter 2017 being the point were over supply ends according to EIA (energy information agency). Oil price for December delivery are holding above \$50.

In Canada despite wobbly oil prices banks and financials took off

with BMO announcing acquisitions in America. Financial Service and the banks have been hit hard in Canada as the oil industry looks to recover. Both Canadian banks and other financial services firm have leant heavily to oil and energy operators in western Canada. Rising concerns that necessary write downs and write offs would take place crippling both bank dividends and share price has not occurred. Actually the opposite has taken place. The financial world in Canada has been aggressively trimming cost and growing other lines of business in order to offset the potential impact. Now more than ever Canadian banks are well diversified and generate a good chunk of their earnings outside of Canada.

Our strategies continue to be focused in North America with client portfolios positioned so. North America both on a corporate and consumer side will see a invigoration and continued economic growth as emerging economies will dig deep to sustain themselves through a longer than anticipated economic winter. Economies that have deep ties to China will suffer the most and will need more time. Fortunately for Canada it does not. The EU, Asia and South America are deeply exposed.



Copyright © 2016 Ahmet Jakupi Financial Solutions, All rights reserved.

[unsubscribe from this list](#) [update subscription preferences](#)