



Weekly Market Update

Equities look to conclude a challenging year on an up note

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Article Highlights

- The S&P 500 Index aims for its seventh straight year of gains.
- Treasury yields rise, with the yield on the two-year note reaching a 5½-year high.
- The few U.S. data releases are mixed.

December 30, 2015

Equity and fixed-income markets

Most global equity markets advanced during the holiday-shortened week. The S&P 500 Index, which rallied on the back of a rebound in oil prices, has risen 3.1% for the year to date through December 29 and is on track for its seventh straight year of positive returns.

In Europe, the broad STOXX 600 Index also got off to a good start but was headed for its worst December since 2002. Meanwhile, Japan's Nikkei 225 Index concluded its trading year with a return of about 9%, its fourth consecutive annual gain. Stocks in China, however, declined amid signs that government officials are worried about capital flight as the economy slows.

In U.S. fixed-income markets, the yield on the bellwether 10-year U.S. Treasury note, which moves in the opposite direction of its price, rose on thin trading volume, to 2.32%, on December 29. The yield on the two-year note, which has been on an uptrend since the Federal Reserve raised interest rates in mid-December, reached 1.09%, a 5½-year high. Among non-U.S. Treasury "spread" sectors, high-yield bonds notched a modest advance to start the week, trimming their year-to-date loss through December 29 to 4.6%. Returns for other "spread" sectors were broadly negative.

Current updates are available [here](#). For additional insights from Amy O'Brien, Head of Responsible Investment for TIAA-CREF Asset Management, view our [Weekly Market Perspective Video](#).



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U.S. data releases are mixed

This week was light in terms of U.S. economic reports.

- **Consumer confidence** rose in December from November's upwardly revised figure, according to The Conference Board. Consumers remain confident about the economy overall and the jobs market in particular.
- **U.S. home prices** increased 0.1% in October and 5.5% compared to a year ago, the fastest annual reading since August 2014, based on the S&P/Case-Shiller 20-City Composite Index.
- **Pending home sales** unexpectedly fell 0.9% in November but are still up 2.7% over the past year.

A number of closely watched releases, including the December payrolls report and unemployment rate, are scheduled for the week of January 4 and have the potential to move markets in what should be heavier post-holiday trading.

The next Weekly Market Update will be published on Friday, January 8, 2016.



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Foreign stock market returns are stated in U.S. dollars unless noted otherwise.

Please note that equity and fixed income investing involve risk.