

Monday – November 3rd

## **The October Phenomenon**

Volatility was the name of the game in October yet Wall street ended the month with record highs.

After a strong enough start, stocks plummeted to their worst slump in two years but then the U.S. markets rebounded and closed at all-time highs on the last day of the month.

Was it just an October phenomenon?

This particular October, volatility was driven by fears over Europe slipping back into a recession, plunging oil prices, ebola and possible weakness in the U.S. economy. But then strong corporate earnings and QE commitment from the Bank of Japan and the European Central Bank proved to be a calming factor. So much so that when the US Fed brought the curtains down on QE after six years, the markets simple didn't react.

So what should we have an eye on when markets open this first week of November?

## **Reaction to China's PMI data**

China's factory activity unexpectedly fell to a five-month low in October as firms contended with slowing orders and rising costs in the cooling economy. The official PMI number eased to 50.8 in October from September's 51.1, according to the National Bureau of Statistics. Let's see how markets react on Monday.

## **US Mid-term elections**

Senate races this week could hold the key to whether the stock market glides through the year-end in a typical post midterm election rally or gets hit with a fresh bout of turbulence.

## **Macau Casino revenue report**

On Tuesday, Macau's government is expected to report that casino revenue fell for a fifth straight month in October as China President Xi Jinping's crackdown on corruption curbs spending by high stakes gamblers. Andrew Klebanow of Global Market Advisors will join us on Money For Nothing on Wednesday morning to give us his take.

## **ECB & BOE Rate decisions**

As speculation mounts that the ECB will take measures to rekindle growth and inflation, on Thursday, its policy makers will release its interest rate decision. As will the Bank of England – the expectation here is that the benchmark rate will be left at 0.5%.

## **US Jobs report**

According to Bloomberg, US employers probably added 225,000 jobs in October, showing steady progress in the labor market. The jobless rate is forecast to hold at a six-year low of 5.9%. Let's verify this when the US labor Department releases the official figures on Friday.

And as far as company earnings scheduled for this week, watch out for: AIG, HSBC, Alibaba, Softbank, Tesla, News Corp, Time Warner, Lenovo, Walt Disney, Allianz, Toyota...and more!

On Money For Nothing we'll be looking at airline travel in the age of Ebola...that's on Monday morning with Vinay Dube of Delta Airlines and Jonathan Galaviz of Global Market Advisors. On Tuesday we'll look at why *The Principal* has just been awarded a Michelin star; and on Thursday, we'll take a look at the wisdom behind investing in California wine with Jeff Williamson, Director, California State Trade and Export Promotion.

Thoughts? Questions? Ideas? Send them through to the expert of your choice on this week's show.