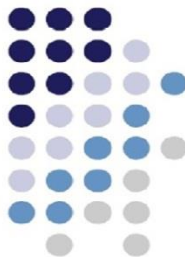


Confidence In The Markets

CFA Society Richmond
April 6, 2016

Financial Insyghts
We Explain the "Why"



Conventional Thinking

Our Actions Impact Our Confidence Level

10 Ways to Boost Your Confidence

Posted: 09/02/2014 8:26 am EDT | Updated: 11/02/2014 5:59 am EST



25 Killer Actions to Boost Your Self-Confidence

Amy Cuddy's TED talk



Your body language shapes who you are

24M views • Oct 2012

difference between feeling you are unstoppable and it When you lack confidence, i see ahead is the possibility of

©2016 Financial Insyghts LLC

"Kay and Shipman shine a perspective light on the crucial role that confidence plays in the ability of women to succeed. They offer women practical advice and the vision of a more hopeful future."
—SHERYL SANDBERG, COO of Facebook and author of *Lose It*

THE CONFIDENCE CODE

THE SCIENCE AND ART OF SELF-ASSURANCE—
WHAT WOMEN SHOULD KNOW

Authors of the *New York Times* Bestseller *Womenomics*
KATTY KAY & CLAIRE SHIPMAN

CONF!DENCE

Overcoming
Low Self-Esteem,
Insecurity,
and Self-Doubt

Tomas Chamorro-Premuzic, PhD

A Better Way To Think

Our Confidence Level Impacts Our Actions

Conventional Thinking

The banking crisis
caused confidence to fall.



May 1996-Aug 2000: based on standalone national polls for selected months
Oct 2000-Dec 2007: based on standalone national polls each month
Jan 2008-December 2014: based on weekly averages of Gallup Daily tracking

■ Gallup Economic Confidence Index

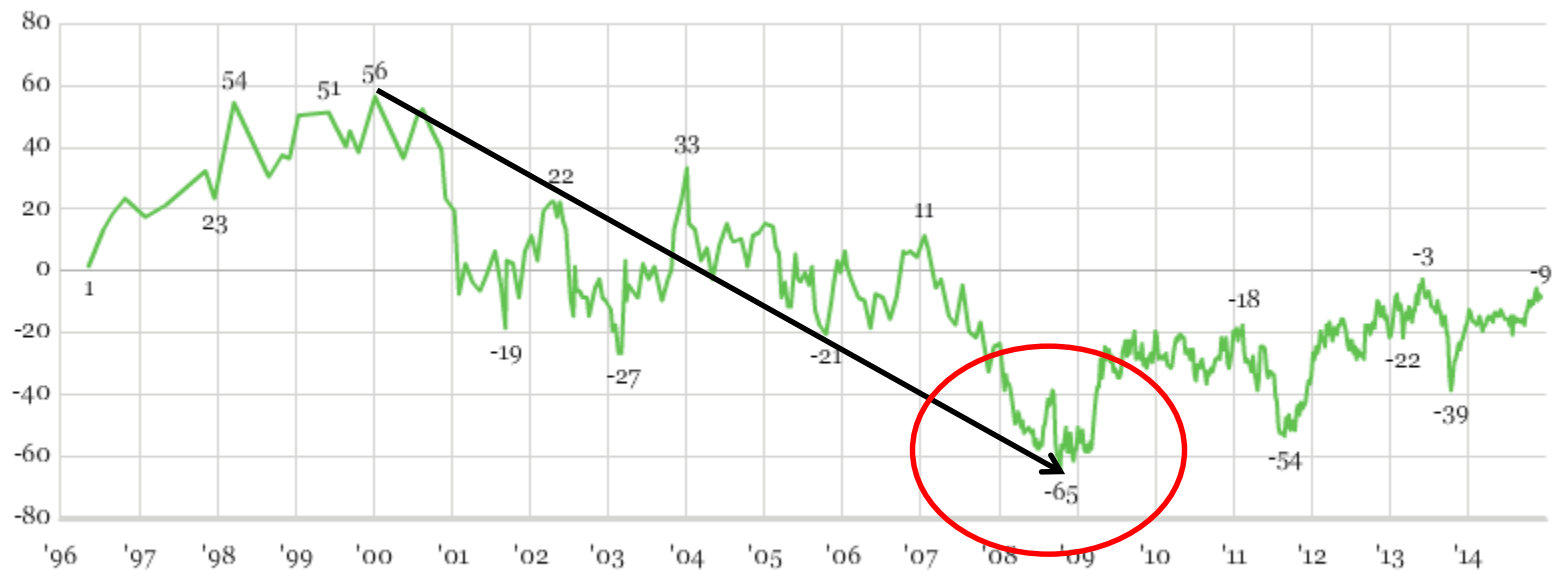


May 1996-Aug 2000: based on standalone national polls for selected months

Oct 2000-Dec 2007: based on standalone national polls each month

Jan 2008-December 2014: based on weekly averages of Gallup Daily tracking

■ Gallup Economic Confidence Index

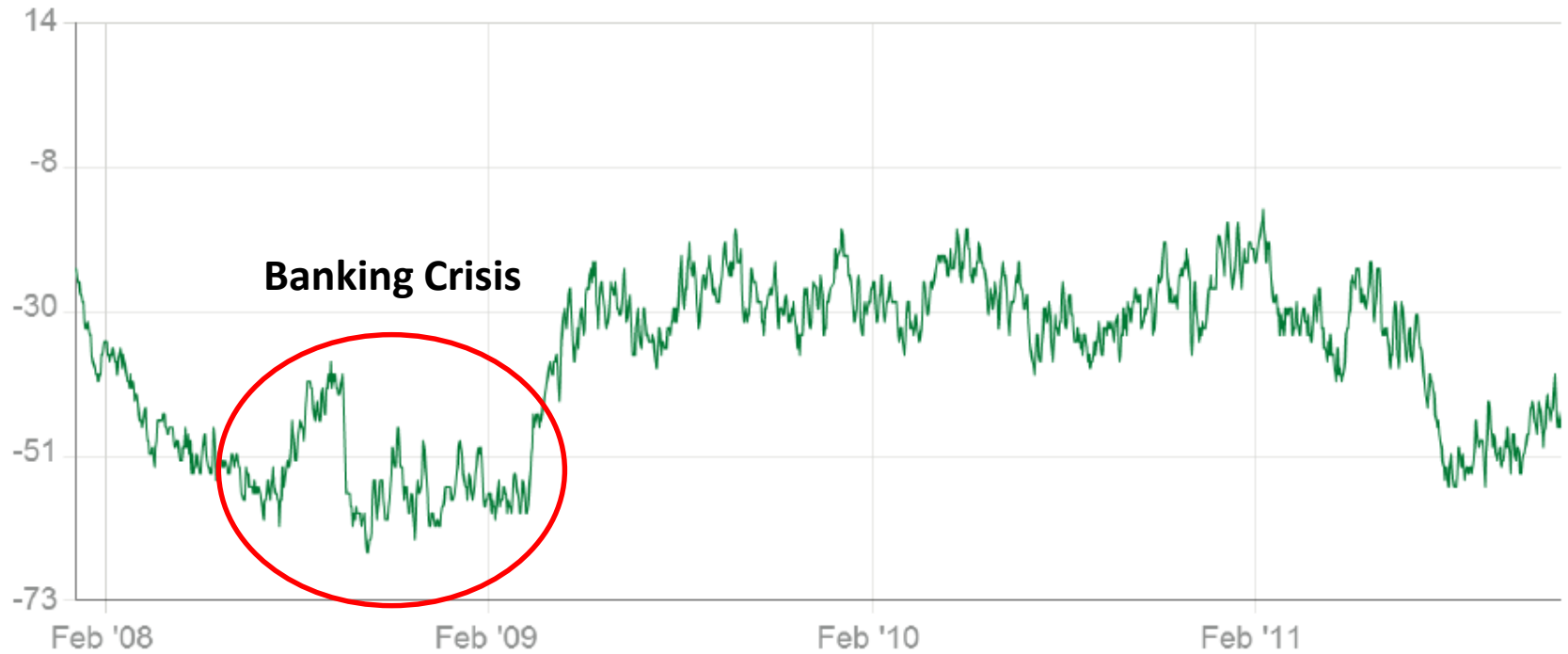


May 1996-Aug 2000: based on standalone national polls for selected months

Oct 2000-Dec 2007: based on standalone national polls each month

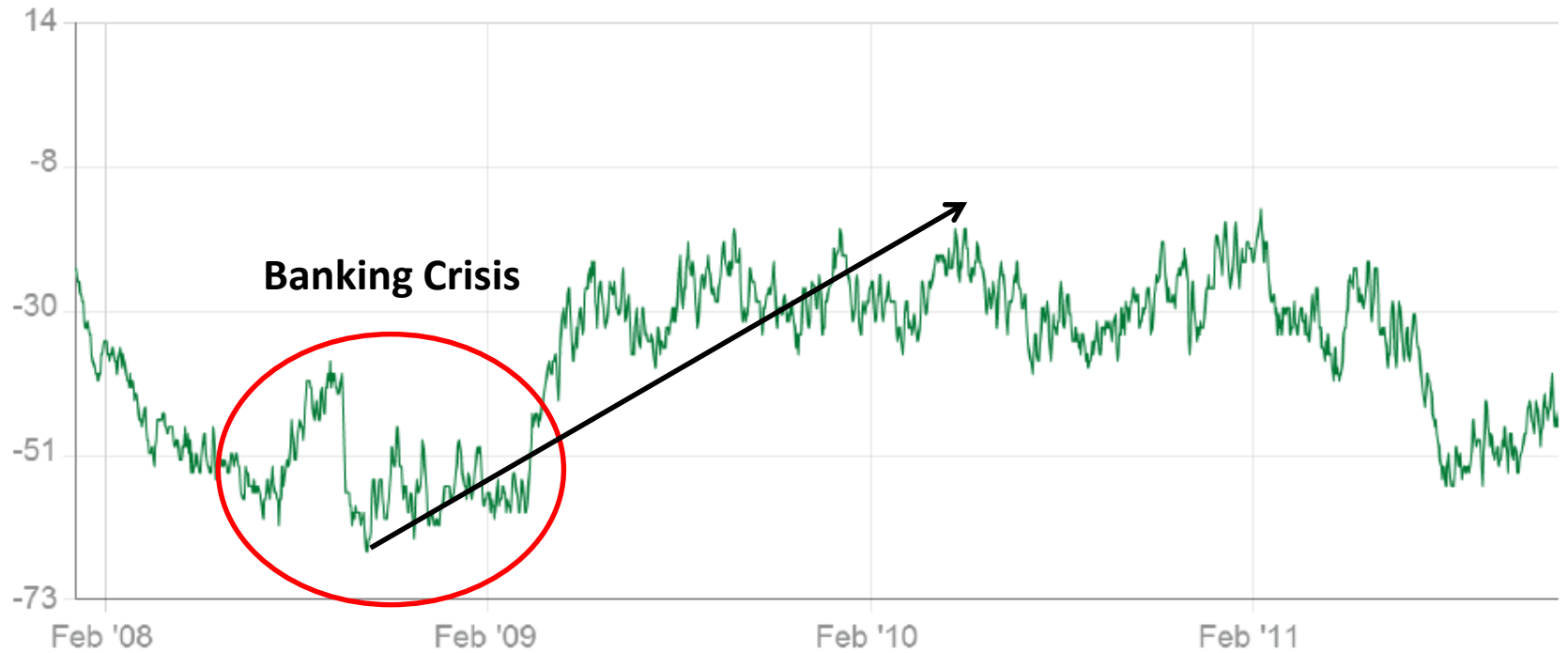
Jan 2008-December 2014: based on weekly averages of Gallup Daily tracking

■ **Economic Confidence Index**



Source: Gallup

■ **Economic Confidence Index**



Source: Gallup

A Better Way To Think

The banking crisis marked
a major bottom in confidence.

■ **Economic Confidence Index**



Source: Gallup



Source: Gallup



Source: Gallup



Source: Gallup

“Spontaneous”

Last week: DJIA 17265.21 ▼ 582.42 3.3% NASDAQ 4933.47 ▼ 4.1% STOXX 600 355.79 ▼ 4.0% 10-YR. TREASURY ▲ 1 7/32, yield 2.139% OIL \$35.62 ▼ \$4.35 EURO \$1.0991 YEN

What's News

Business & Finance

The Fed is set to raise rates this week on the expectation that jobs and inflation will hit targets, but inflation remains lower than the central bank wants. **A1**

◆ **Investors are bracing** for another difficult week after junk-bond prices Friday posted their largest decline since 2011. **A1**

◆ **Third Avenue's CEO** has left, just days after the firm barred withdrawals from its junk-bond fund. **C1**

◆ **Yahoo faces new pressure** from investor groups who oppose giving CEO Mayer more time to show progress on her turnaround. **B1**

◆ **Activist shareholder Loeb** called for the removal of Dow Chemical's CEO over the timing of the firm's agreement

Protesters Call for President's Impeachment in Brazil



DEMANDING CHANGE: Thousands of demonstrators against Dilma Rousseff took to the streets on Sunday to pressure lawmakers. **A13**

Cruz Picks Up Steam in GOP Race

By JANET HOOK

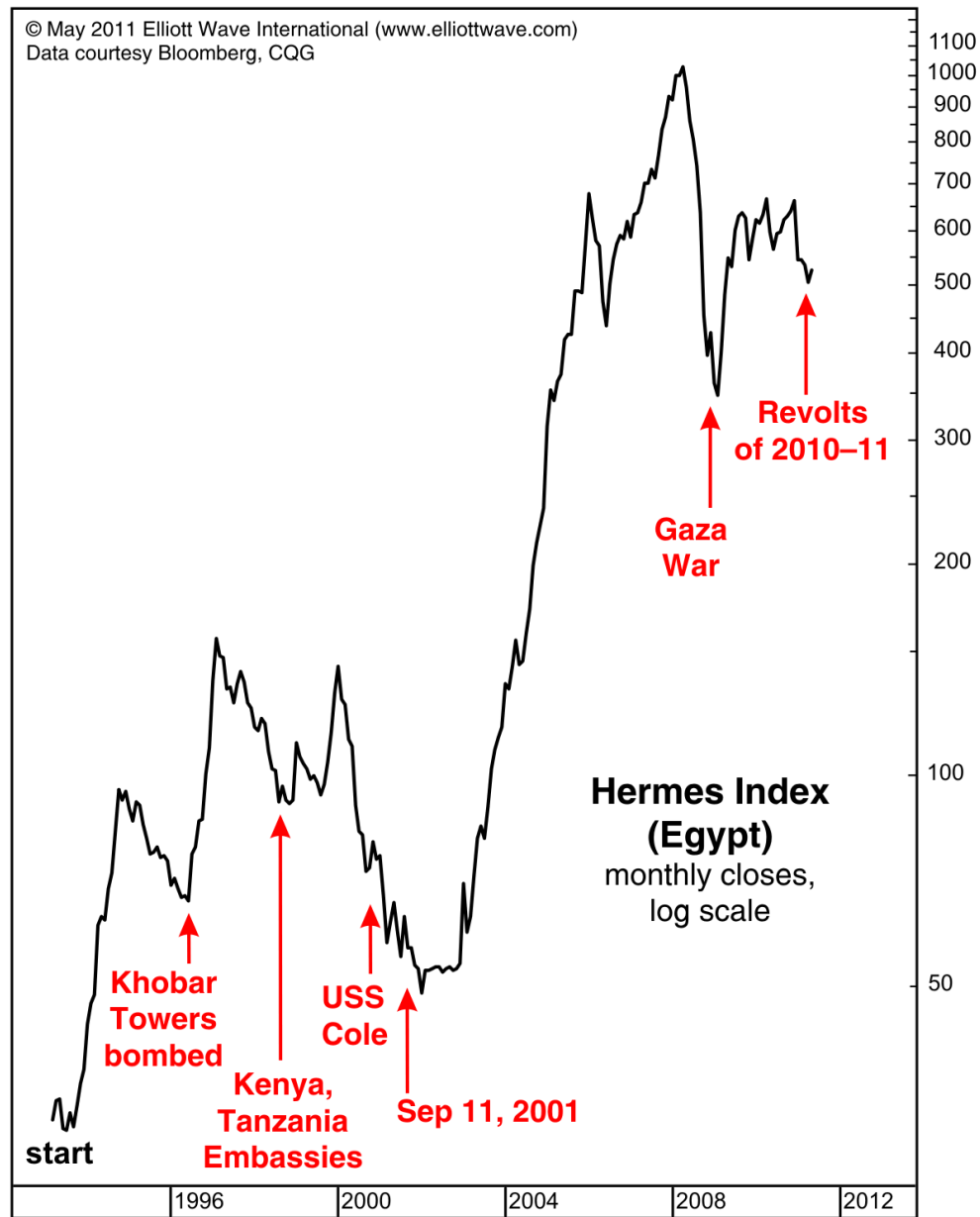
Sen. Ted Cruz has surged in the 2016 GOP presidential primary contest, consolidating support from the party's conservative voters emerging as a leading alternative to businessman Donald Trump, a new Wall Street Journal/NBC News poll finds.

The latest poll, coming a month after a tumultuous month of international and domestic terrorism, found Mr. Trump topped the GOP field, with Mr. Cruz in second place. The Texas senator appears to be benefiting from the sharp decline in support for Ben Carson, a neurosurgeon who led the field in Journal/NBC News poll six weeks earlier.

The poll also showed a



© May 2011 Elliott Wave International (www.elliottwave.com)
Data courtesy Bloomberg, CQG

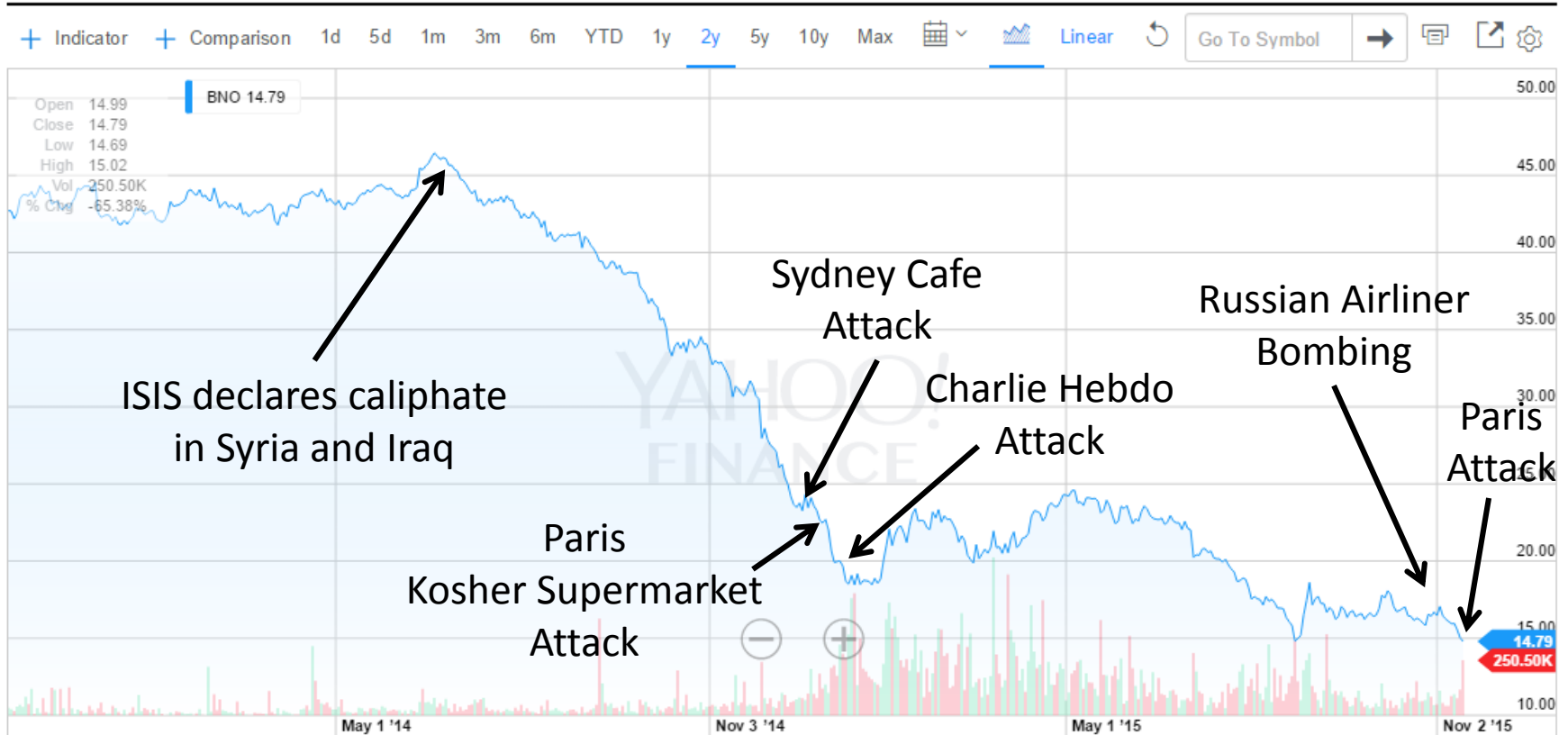


Credit: Mark Galasiewski, Elliott Wave International

ISIS Confidence Aligns With Crude Prices

United States Brent Oil (BNO) ★ Watchlist

14.79 -0.23(-1.53%) NYSEArca - As of 4:00PM EST



A Better Way To Think

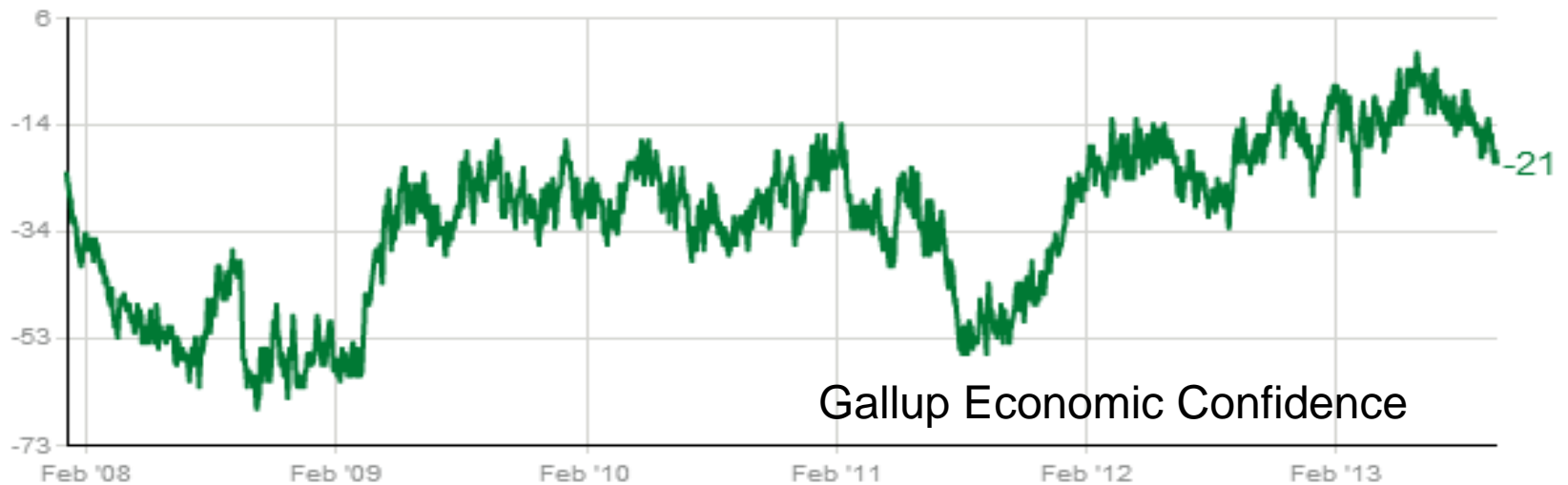
Confidence Impacts Actions

Conventional Thinking

Increases In Home Prices Boost Confidence

Chicken or Egg?

Week of Jan 28, 2008: ■ ^HGX 157.13



Chicken or Egg?



■ Economic Confidence Index



Conventional Thinking

The Media Impacts Confidence

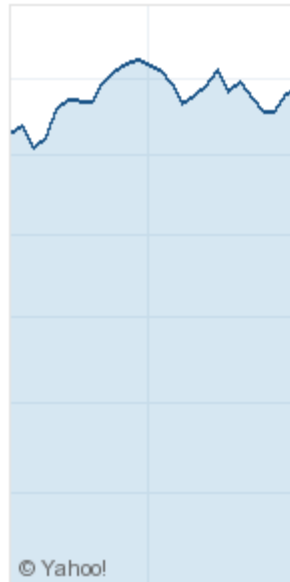
Chicken or Egg?



October 7, 2011

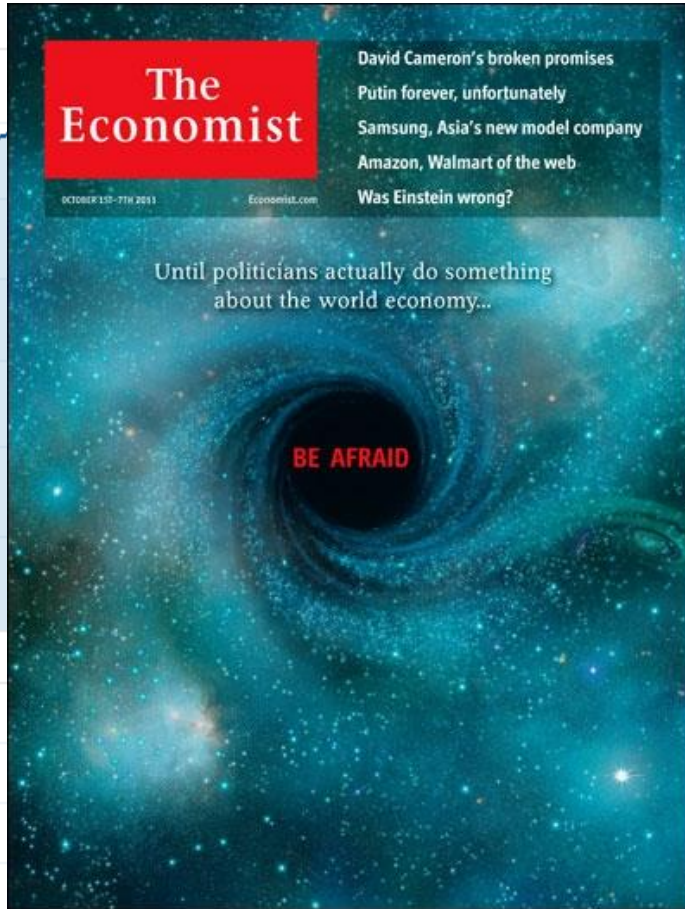
S&P 500 INDEX, RTH

■ S&P500



May 11

■ Volume



Occupy
Wall Street



Sep 11

Oct 11

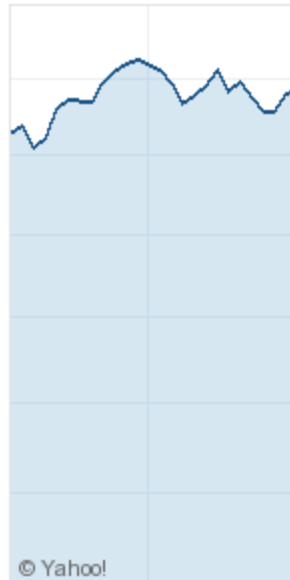
Billions

The Media Follows Mood

October 7, 2011

S&P 500 INDEX, RTH

■ S&P500



May 11

■ Volume



Occupy Wall Street



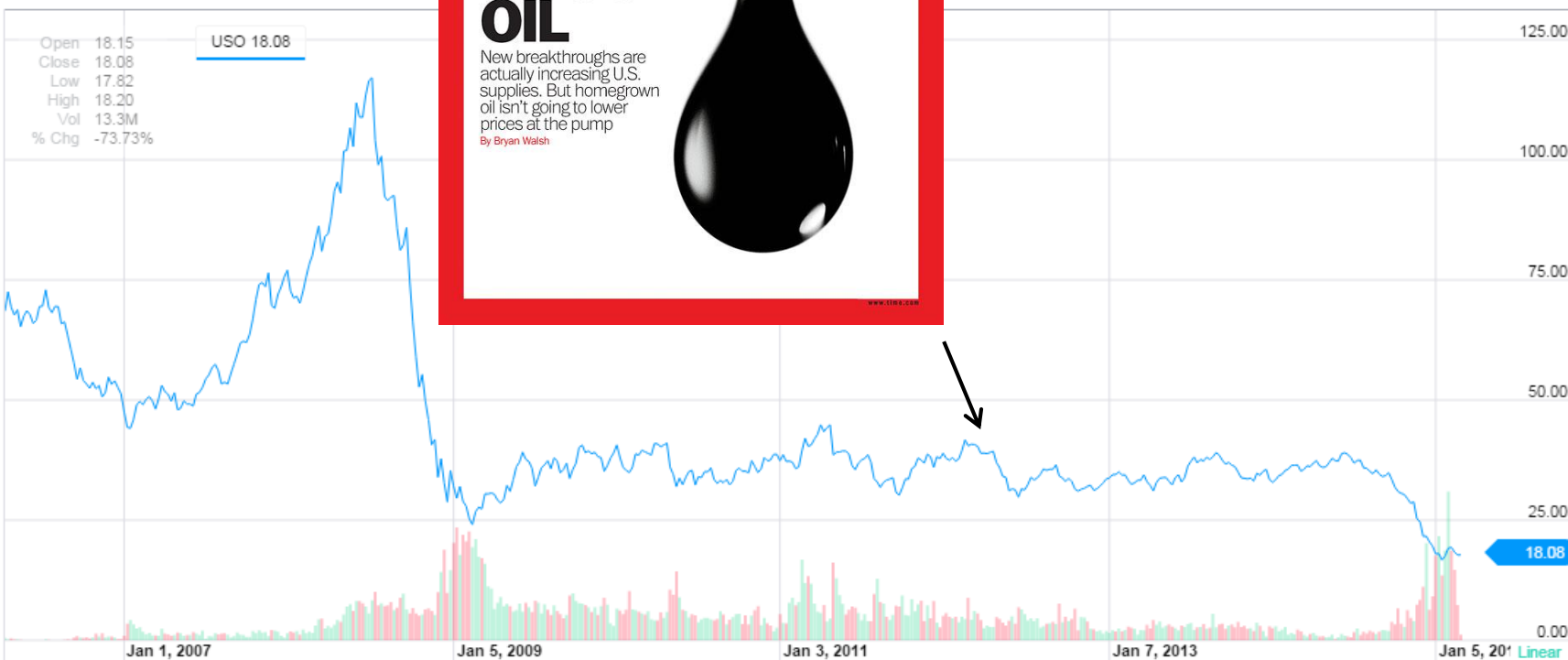
The Media Follows Mood

United States Oil ETF (USO) ★
18.08 +0.04(+0.22%) NYSEAr

1d 5d 1m 3m 6m YTD 1y 2y 5y

Open 18.15
Close 18.08
Low 17.82
High 18.20
Vol 13.3M
% Chg -73.73%

USO 18.08



Beat the market

Get the app



United States Oil ETF (USO) ★
18.08 +0.04(+0.22%) NYSEAr

1d 5d 1m 3m 6m YTD 1y 2y 5y

Open 18.15
Close 18.08
Low 17.82
High 18.20
Vol 13.3M
% Chg -73.73%

USO 18.08

The Trayvon
Martin Case

Joe Klein How both parties
have failed on gun laws
Plus The twisted history
of 'Stand your ground'

BOOKS
Meet the nice lady
whose naughty
novel is a huge hit

TIME

THE TRUTH ABOUT OIL

New breakthroughs are actually increasing U.S. supplies. But homegrown oil isn't going to lower prices at the pump

By Bryan Walsh



www.time.com

Beat the market

Get the app



ison

Reset



Go To Symbol



125.00

100.00

75.00

50.00

25.00

0.00

18.08

Jan 1, 2007

Jan 5, 2009

Jan 3, 2011

Jan 7, 2013

Jan 5, 2015

Linear

United States Oil (USO) ★ Watchlist

11.16 +0.09(+0.81%) NYSEArca - As of 4:00PM EST

After Hours: **11.18** 0.00 (+0.18%) 07:29pm EST

+ Indicator + Comparison 1d 5d 1m 3m 6m YTD 1y 2y 5y 10y Max



United States Oil (USO) ★ Watchlist

11.16 +0.09(+0.81%) NYSEArca - As of 4:00PM EST

After Hours: **11.18** 0.00 (+0.18%) 07:29pm EST

+ Indicator + Comparison 1d 5d 1m 3m 6m YTD



United States Oil (USO) ★ Watchlist
11.16 +0.09(+0.81%) NYSEArca - As of 4
 After Hours: **11.18** 0.00 (+0.18%) 07:29pm EST

+ Indicator + Comparison 1d 5d 1m 3m 6

Open	11.33	USO 11.40
Close	11.40	
Low	11.25	
High	11.65	
Vol	27.01M	
% Chg	-67.31%	



Carl Quintanilla @carlquintanilla · 10h

\$34.66



5 12



The Media Follows Mood

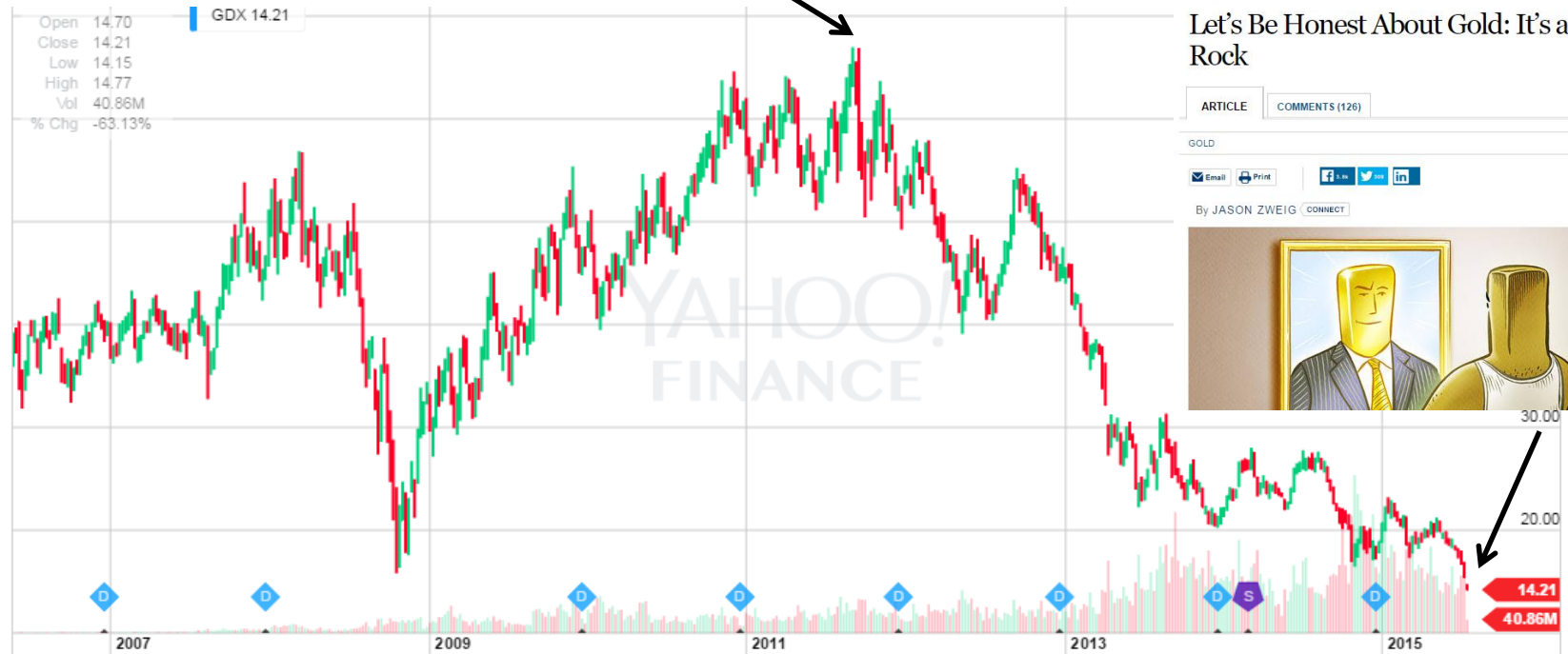


THE INTELLIGENT INVESTOR

Is Gold Cheap? Who Knows? But Gold-Mining Stocks Are



By JASON ZWEIG
September 17, 2011



Go To Symbol →

12:13 pm ET
Jul 17, 2015

COMMODITIES

Let's Be Honest About Gold: It's a Pet Rock

ARTICLE COMMENTS (126)

GOLD

Email Print Facebook Twitter LinkedIn

By JASON ZWEIG CONNECT

30.00
20.00
14.21
40.86M

Market Vectors Gold Miners ETF (GDX)

Opinion: An open letter to investors who are bullish on gold

Published: July 23, 2015 8:44 a.m. ET

26 6 2 103

Aa

It's time to surrender and let the yellow metal fall to its bear market low



By
**HOWARD
GOLD**
COLUMNIST



GOLD IS OVER

As gold falters, big-bank stocks are mounting a rally

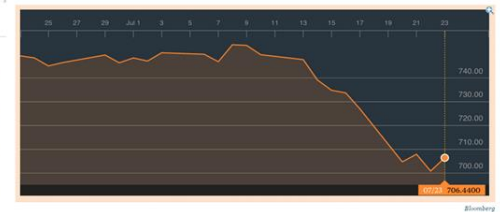
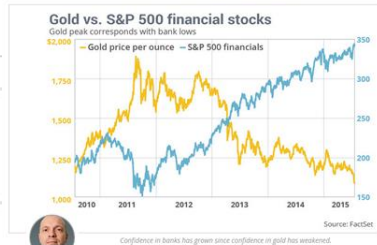
Published: July 23, 2015 3:33 p.m. ET

7 2 1 2

Fed rate hike on horizon seen boosting momentum

JIM EDWARDS
Jul 23, 2015, 7:35 AM **A9,498** 24

FACEBOOK LINKEDIN TWITTER EMAIL PRINT



Picture Perfect!

■ Economic Confidence Index



Source: Gallup



A Better Way To Think

Confidence Impacts The Media

Conventional Thinking

The Analysts Impact Confidence

Chicken or Egg?

BloombergBusinessweek Markets & Finance

Global Economics Companies & Industries Politics & Policy Technology Markets & Finance Innovation & Design Lifestyle



Photograph by David Bowman for Bloomberg Businessweek

Munster's devotion to his first iPod clued him into the stock's potential

Markets & Finance

Gene Munster Says Apple Is Going to \$1,000

By Roben Farzad and Adam Satariano on April 12, 2012 | [Twitter](#) [Facebook](#) [LinkedIn](#) [Google+](#) [Comments](#)

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1985

1990

1995

2000

2005

2010

Analysts Follow Mood



Chicken or Egg?

BloombergBusinessweek Markets & Finance

Global Economics Companies & Industries Politics & Policy Technology Markets & Finance Innovation & Design Lifestyle



Photograph by David Bowman for Bloomberg Businessweek

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1985

1990

1995

2000

2005

2010

Analysts Follow Mood

BloombergBusinessweek Markets & Finance

Global Economics Companies & Industries Politics & Policy Technology Markets & Finance Innovation & Design Lifestyle



Photograph by FPG/Getty Images

Investing

As Apple Shares Sink, Analysts Rush to Lower Forecasts

By Nick Summers on January 24, 2013 | [Twitter](#) [Facebook](#) [LinkedIn](#) [Google+](#) [Comments](#)



A Better Way To Think

Confidence Impacts What The Analysts Report

Conventional Thinking

Politics Impacts Confidence

THE WALL STREET JOURNAL.

Peter Atwater ▼

WSJ+

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ANALYSIS
Optimism Is a
Casualty in
Campaign



Bill de Blasio Vies for
Influence in 2016
Race



When Congress
Returns,
Republicans' Budget
Impasse ...



[POLITICS](#) | [CAPITAL JOURNAL](#)

Optimism Is a Casualty in Campaign 2016

Candidates in both parties stoke the worries of many voters that America's best days may be in the past

THE WALL STREET JOURNAL.

Peter Atwater ▼

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Home World U.S. **Politics** Economy Business Tech Markets Opinion Arts Life Real Estate



ANALYSIS
Optimism Is a
Casualty in
Campaign



Bill de Blasio Vies for
Influence in 2016
Race



When Congress
Returns,
Republicans' Budget
Impasse ...



POLITICS | CAPITAL JOURNAL

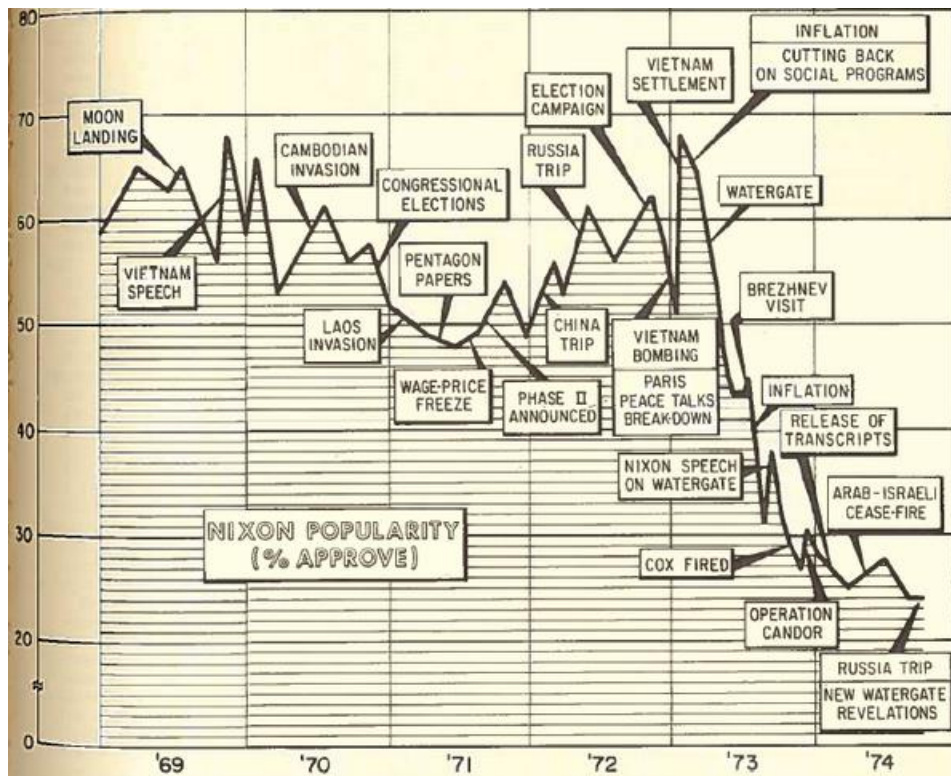
~~Optimism Is a Casualty in Campaign 2016~~

Candidates in both parties stoke the worries of many voters that America's best days may be in the past

2016 Campaign Is a Casualty of Pessimism

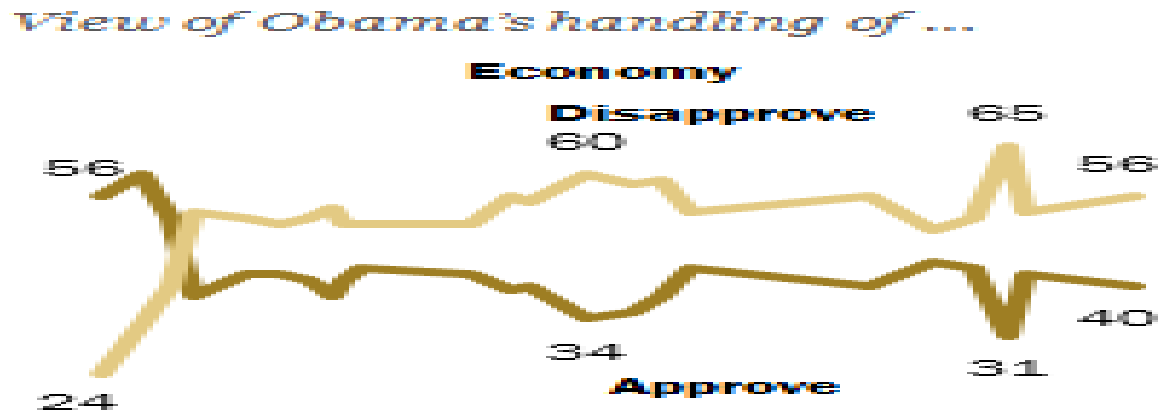
A Better Way To Think

~~Politics Impacts Confidence~~
Confidence Impacts Politics



The President is only as good as WE feel

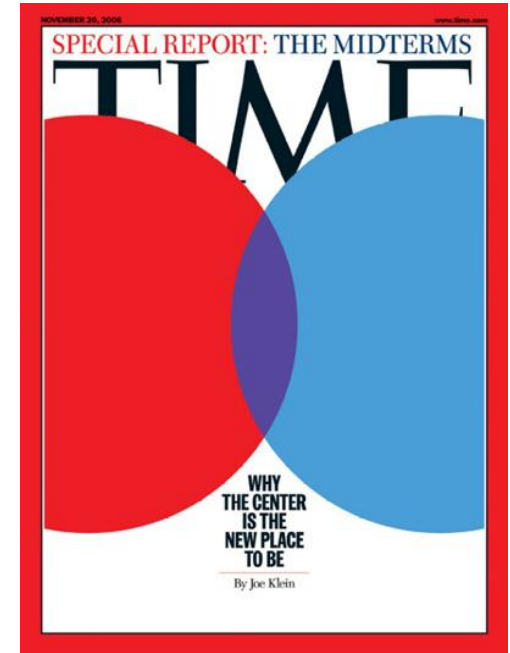
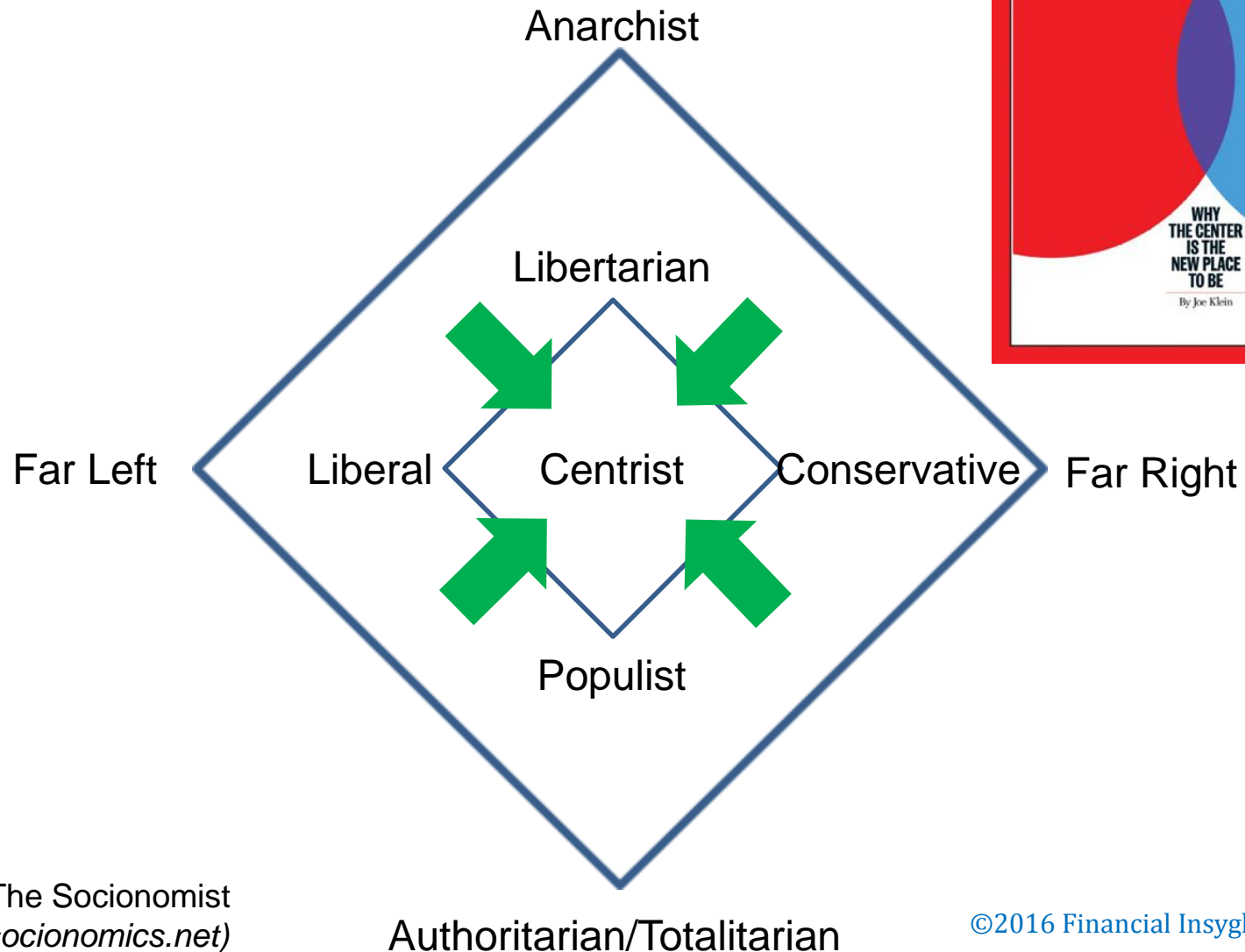
Pew
Research



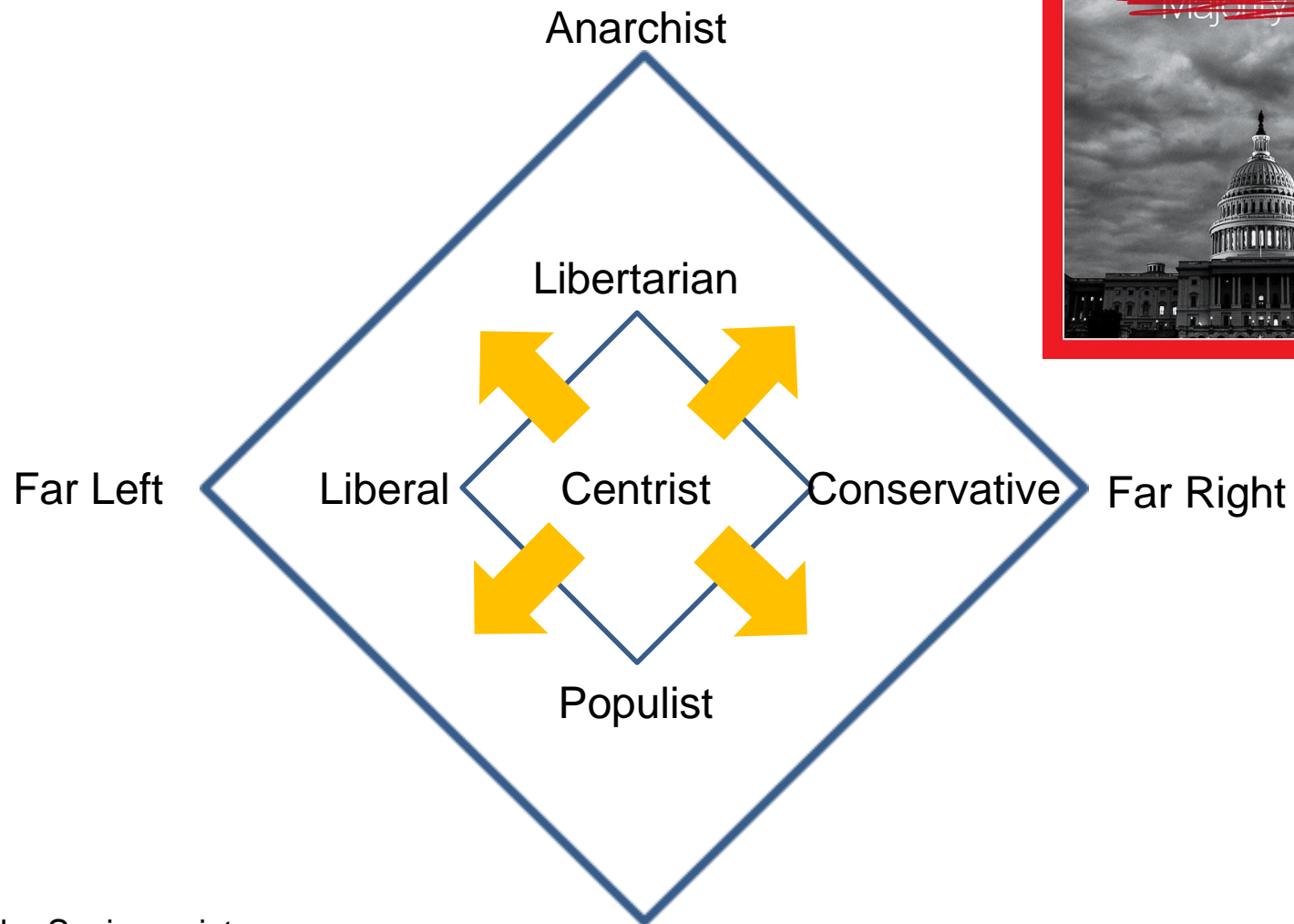
Gallup



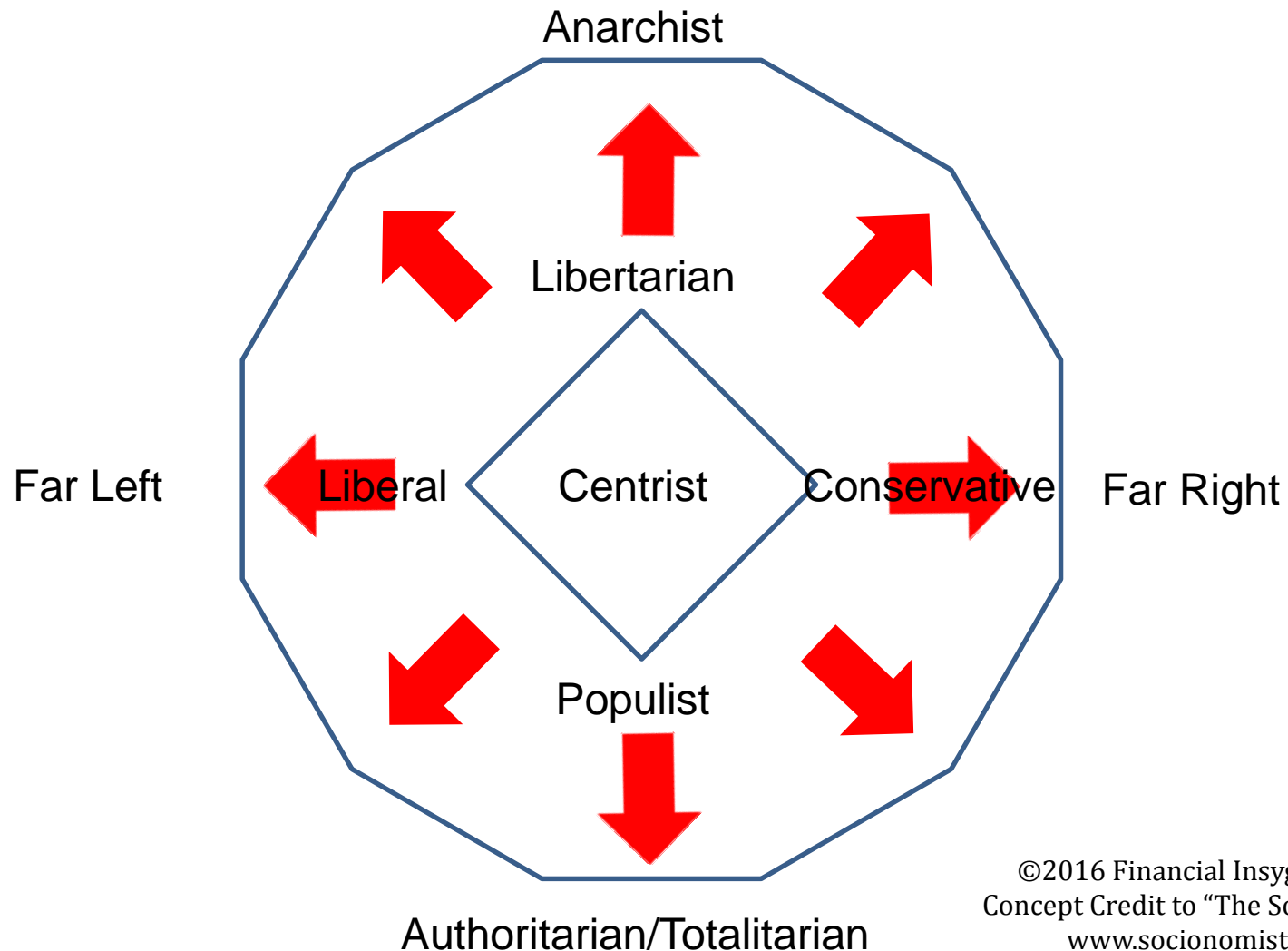
2006: Social Mood Politics



2014: Social Mood Politics



And Then There Was Greece in 2012...



America in 2009



Tea Party Movement

Picture Perfect!



Norway's Sovereign Wealth Fund Ramps Up Investment Plans

Norway's sovereign wealth fund, the world's largest, plans to manage its \$884 billion portfolio more aggressively, taking larger stakes in companies and increasing its real estate portfolio.



Brent EFT

Norway to Start Withdrawals From Oil Fund to Plug Deficits

Zuma Replaces Finance Minister Nene After Downgrade



South Africa's Zuma replaces finance minister, again



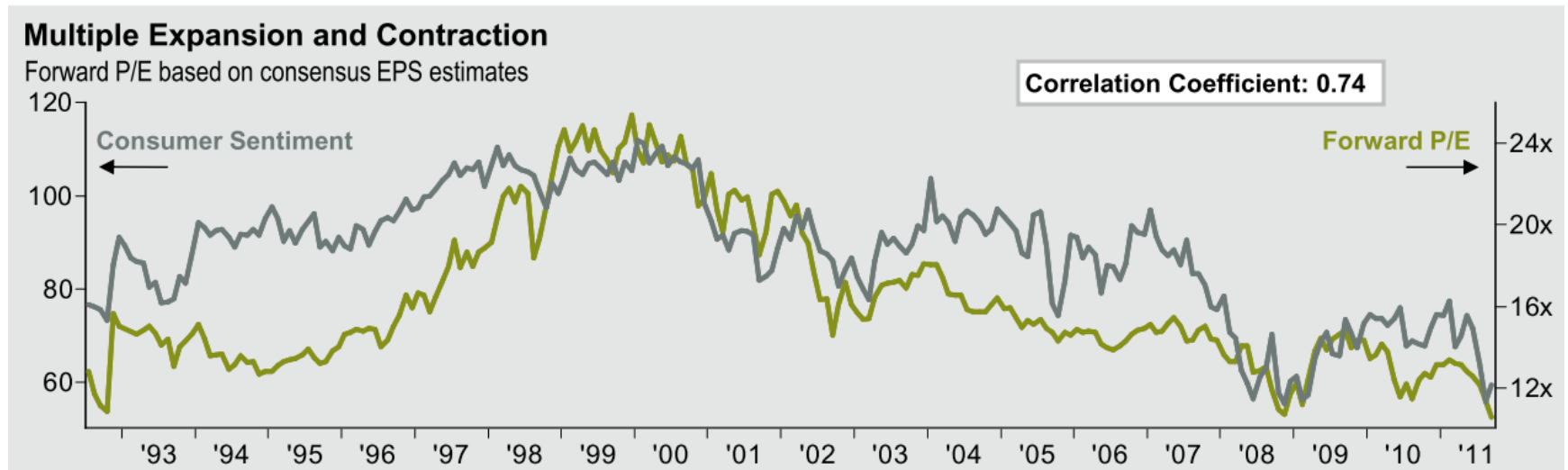
A Better Way To Think

Confidence Impacts Politics And Policymaking

Conventional Thinking

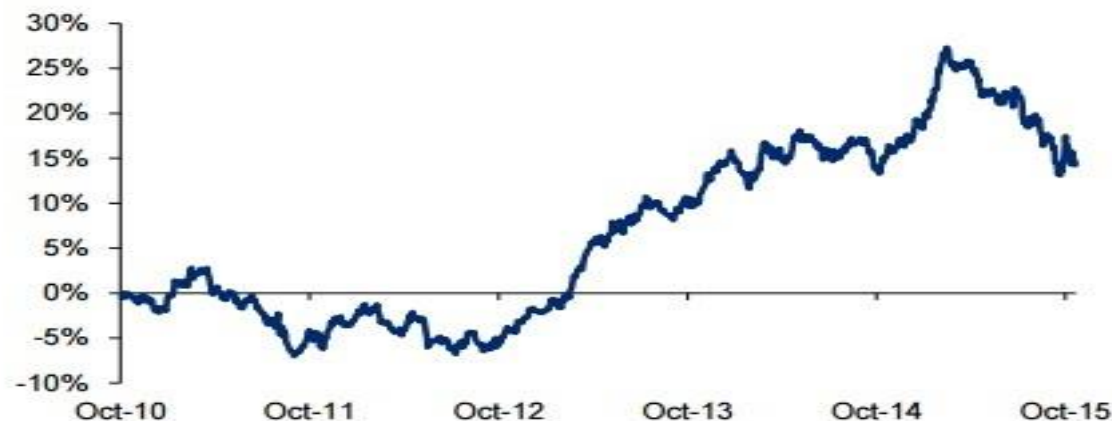
The Markets Impacts Confidence

Markets Measure Mood



Talk About The Market Measuring Mood!

Figure 1. Outperformance of stocks with large buyback programs vs. S&P 500, cumulative excess returns since Oct '10



Source: Citi Research, Bloomberg

■ Economic Confidence Index



Source: Gallup

©2016 Financial Insights, LLC

Confidence Transcends All That We Do:

- Investment Decision-making
- Political Decision-making
- Social Decision-making
- Economic Decision-making
- Media Decision-making

Confidence-driven behaviors are simultaneous

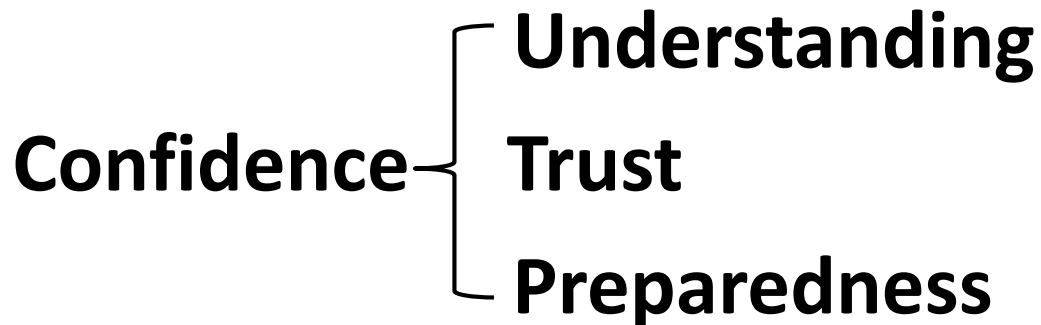
Confidence Transcends All That We Do:

- Investment Decision-making
- Political Decision-making
- Social Decision-making
- Economic Decision-making
- Media Decision-making

Confidence-driven behaviors are consistent

Confidence Is Not Bravado

Confidence is how we perceive ourselves faring in the future.



Decision Making Characteristics



Decision Making Characteristics



Markets Swing From One Extreme To The Other

Me
Here
Now
Concrete

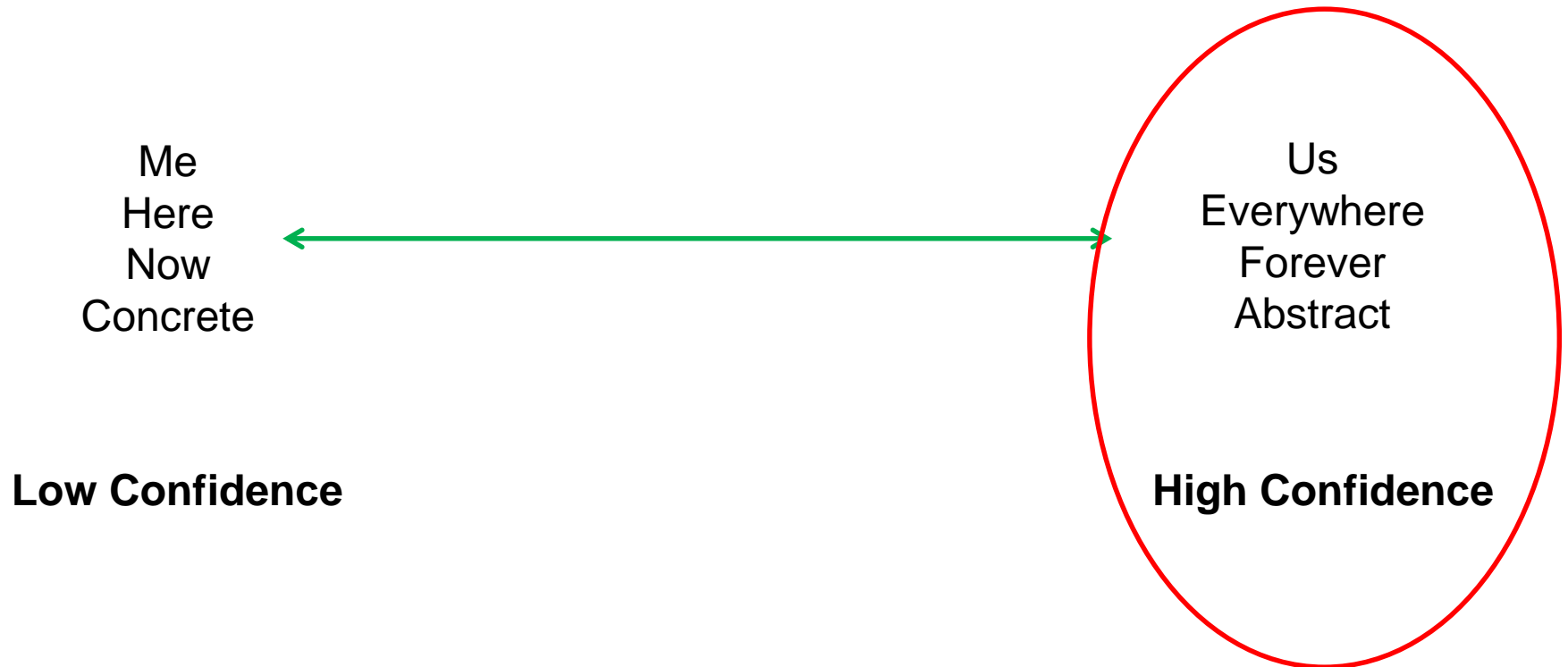


Us
Everywhere
Forever
Abstract

Low Confidence

High Confidence

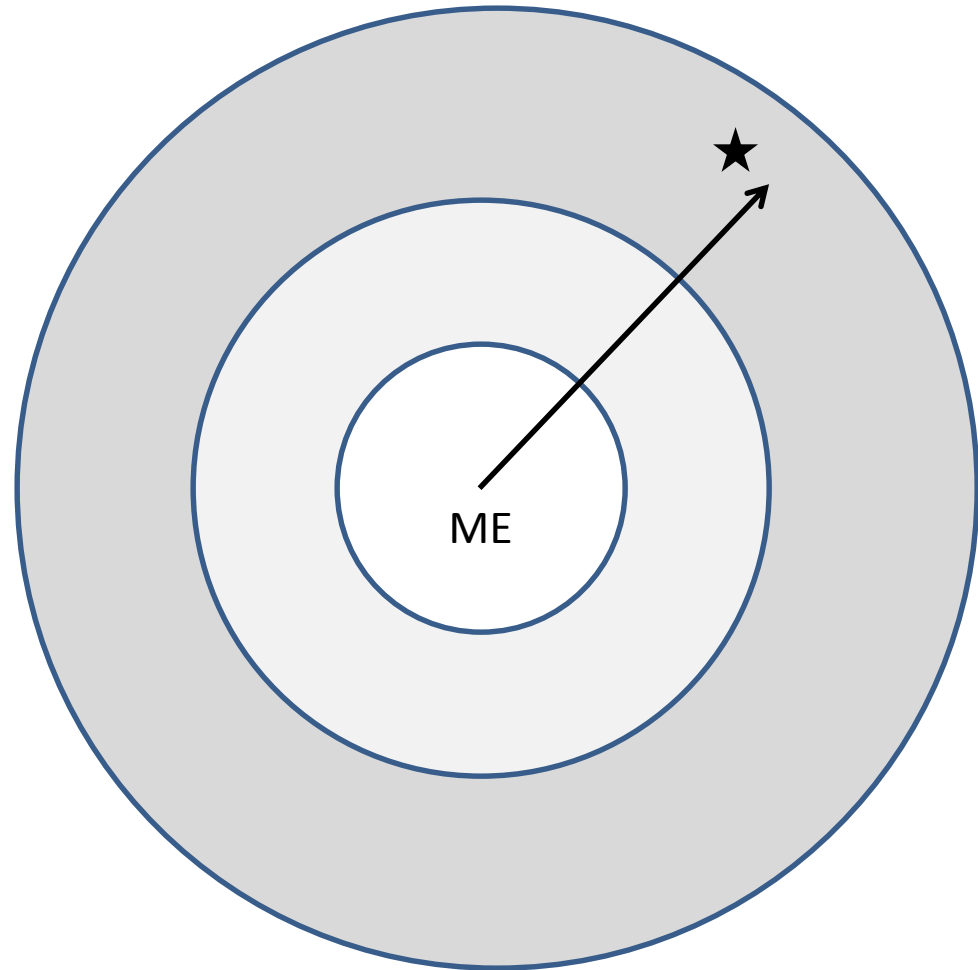
Decision Making Characteristics



2000

Us
Everywhere
Forever

abstract
of uncertain value
random
discretionary
unfamiliar
unpredictable
impacts the world
innovative
complex



High Confidence

2000 – “Us, Everywhere, Forever”

Permanence

Ownership

Replace

Multinational if not “Transnational”

Compromise

Middle Ground

Interconnected

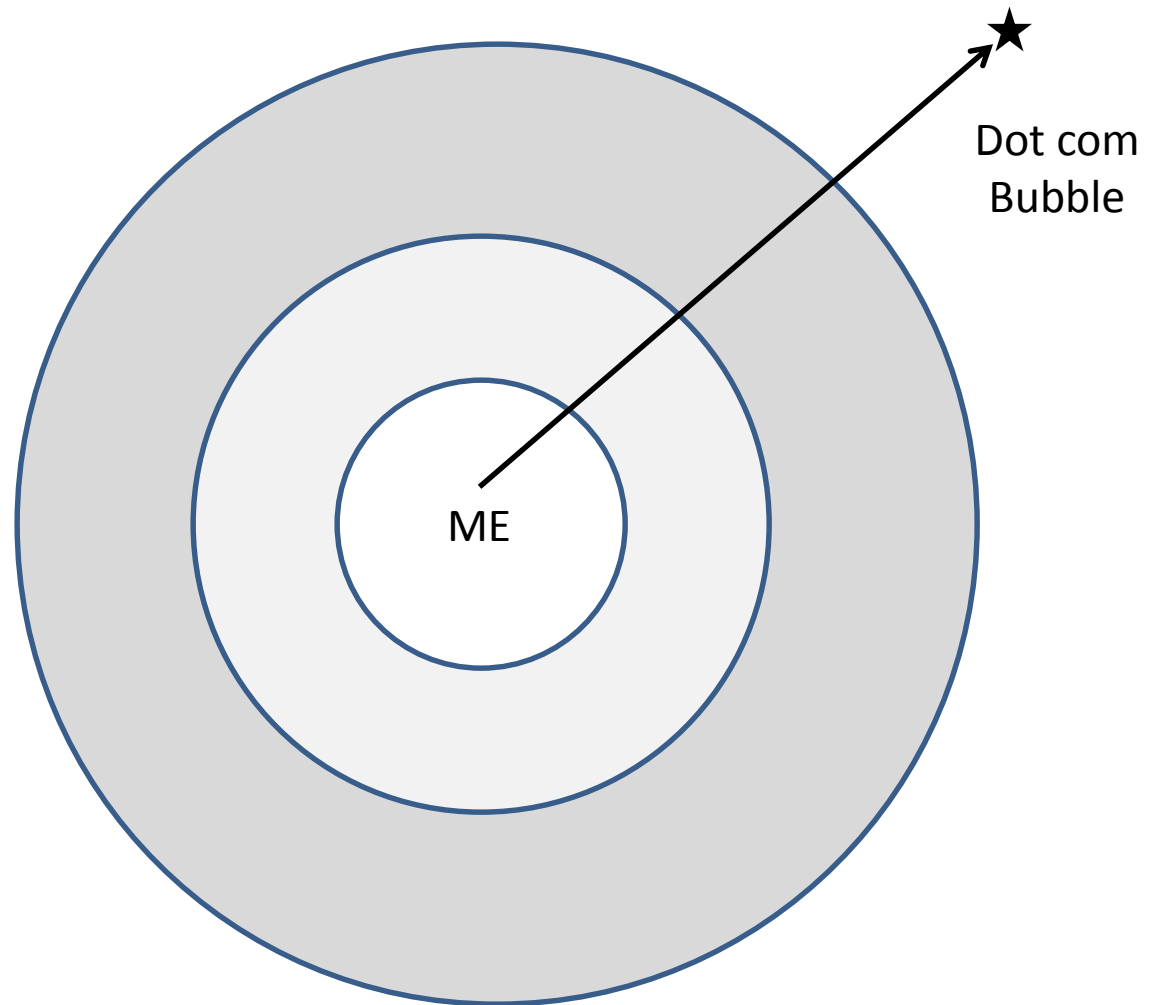
The euro and ECB

Expansionism and Acquisitions

Just in Time Inventory

Us
Everywhere
Forever

abstract
of uncertain value
random
discretionary
unfamiliar
unpredictable
impacts the world
innovative
complex



High Confidence

THE WALL STREET JOURNAL. The Race to the \$100 Million Spec House

Developers aim for new highs—and high prices—for speculatively built homes



Developers are racing to build trophy homes on spec—some with record asking prices—as the top end of the luxury real-estate market is booming.

High 4,113.82
Vol 5.6B
% Chg 550.44%

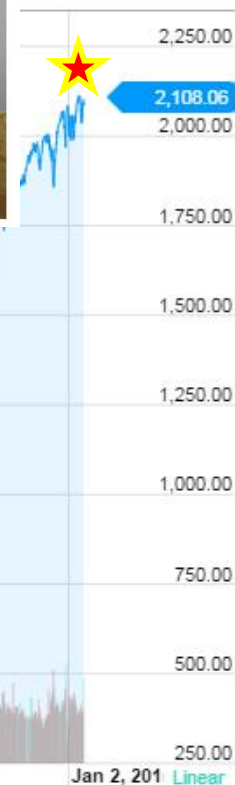


The New York Times



Real Estate

When the 13-Year-Old Picks a \$14 Million Condo



California Dreaming: Record \$500 Million Tag on L.A. Home



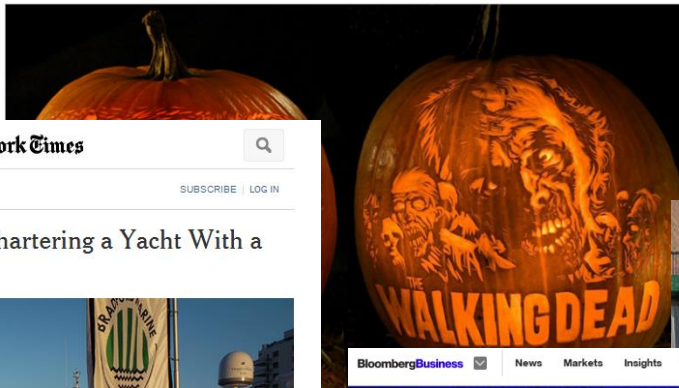
This is the Halloween pumpkin you get for \$750

Published: Oct 29, 2015 3:02 p.m. ET



Elaborate pumpkins for Halloween, weddings and more

A rendering of the \$500 million home by developer



Where Prices Start at \$115 Million: Bel Air's Trophy Home Boom

In Los Angeles, price tags for ultra high-end homes—many of them speculatively built—are topping the \$100 million mark. Is the big ticket just a gimmick?



ping prices have been fueled by w
r sights on Los Angeles – shopping
hborhoods like Bel Air. Rendering



The Beginner's Guide to Chartering a Yacht With a Crew



A lot goes into choosing the rightboat, crew and destination, so an inexperienced broker is a must.

BloombergBusiness News Markets Insights Video

NYC Prep Schools Binge on Debt to Lure Rich With New Pool, Labs



Rendering of Riverdale Country School's new pool. Source: PBDW Architects via Bloomberg



A New York Skinny Skyscraper Will Have Built-In Parks

And you thought bike storage was a decent amenity



THE DENVER POST

Only in Aspen — surrounded by hills and mountains of money — would the good citizens come together to raise \$72 million for a museum with no collection.





Check Out Google's Insane Plans for a New Headquarters

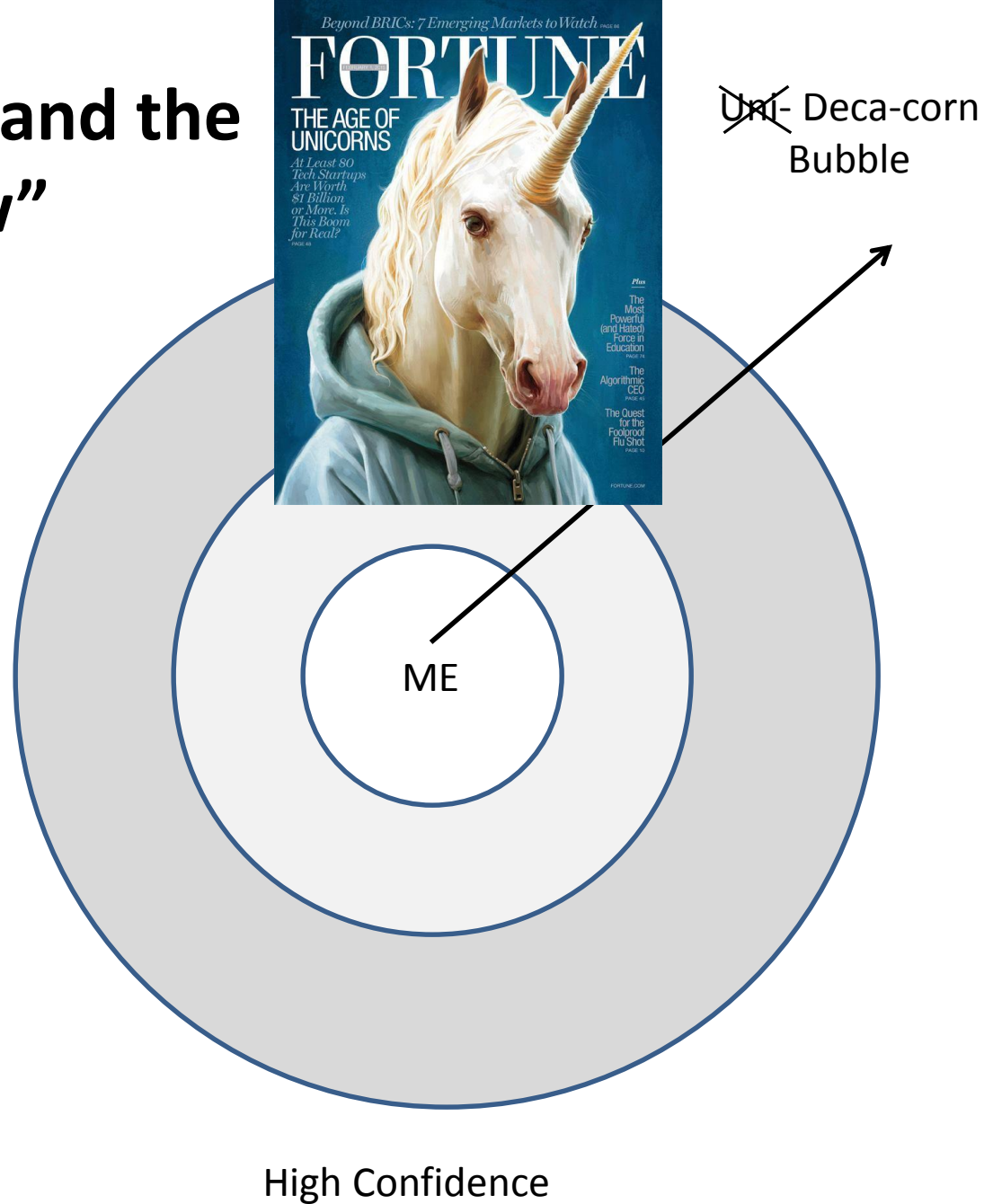
Walls are so 2014



“The Tech Titans and the Financialized Few”

Us
Everywhere
Forever

abstract
of uncertain value
random
discretionary
unfamiliar
unpredictable
impacts the world
innovative
complex



For Some, Confidence Is Measured By The S&P

S&P 500 (^GSPC) ★ Watchlist

2,043.41 +21.47 (+1.06%) SNP - As of 4:29PM EST

S&P 500



Tech Titans And The Financialized Few



May 1996-Aug 2000: based on standalone national polls for selected months

Oct 2000-Dec 2007: based on standalone national polls each month

Jan 2008-December 2014: based on weekly averages of Gallup Daily tracking

■ Gallup Economic Confidence Index



May 1996-Aug 2000: based on standalone national polls for selected months

Oct 2000-Dec 2007: based on standalone national polls each month

Jan 2008-December 2014: based on weekly averages of Gallup Daily tracking

Main Street
America

■ Gallup Economic Confidence Index

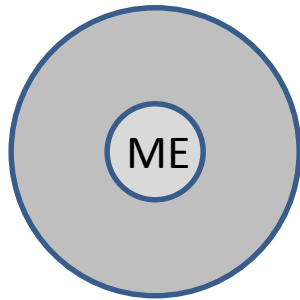


May 1996-Aug 2000: based on standalone national polls for selected months

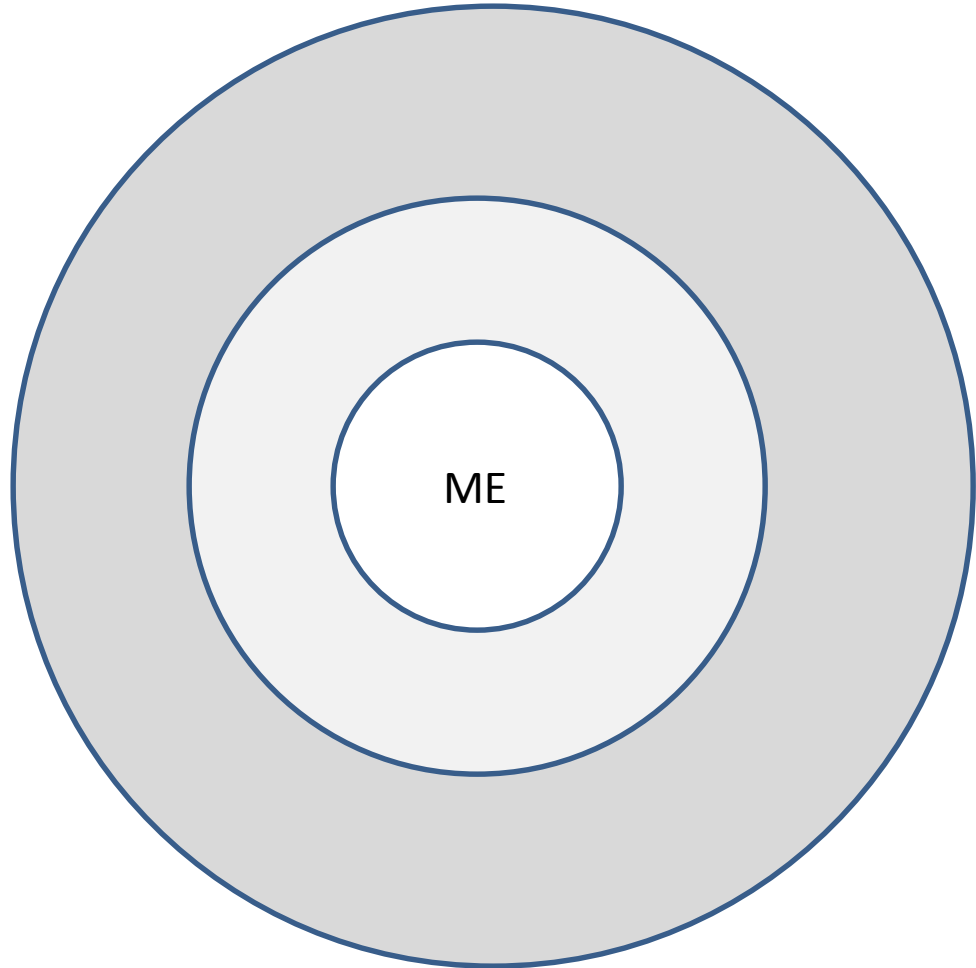
Oct 2000-Dec 2007: based on standalone national polls each month

Jan 2008-December 2014: based on weekly averages of Gallup Daily tracking

2016: A Historic Confidence Divide



Main Street Confidence



Tech Titan and Financialized Few Confidence

2015 – Main Street

“Me, Here, Now”

Rental Housing Boom

Political Extremism

“Selfies”, Twitter, Facebook

Protectionism

Immigration as a political “third rail”

Craft brewing, farmers markets, farm-to-table dining

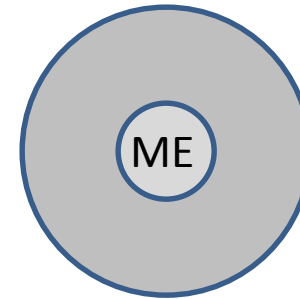
Low approval ratings for Congress, Voting out incumbents

Corporate divestitures/spin-offs

Binge-watching Netflix

Secessionism

Anti-vaccination movements



Conventional Thinking

Lower Gas Prices Will Be a Huge Boost
to Retail Sales

■ Gallup Economic Confidence Index



May 1996-Aug 2000: based on standalone national polls for selected months

Oct 2000-Dec 2007: based on standalone national polls each month

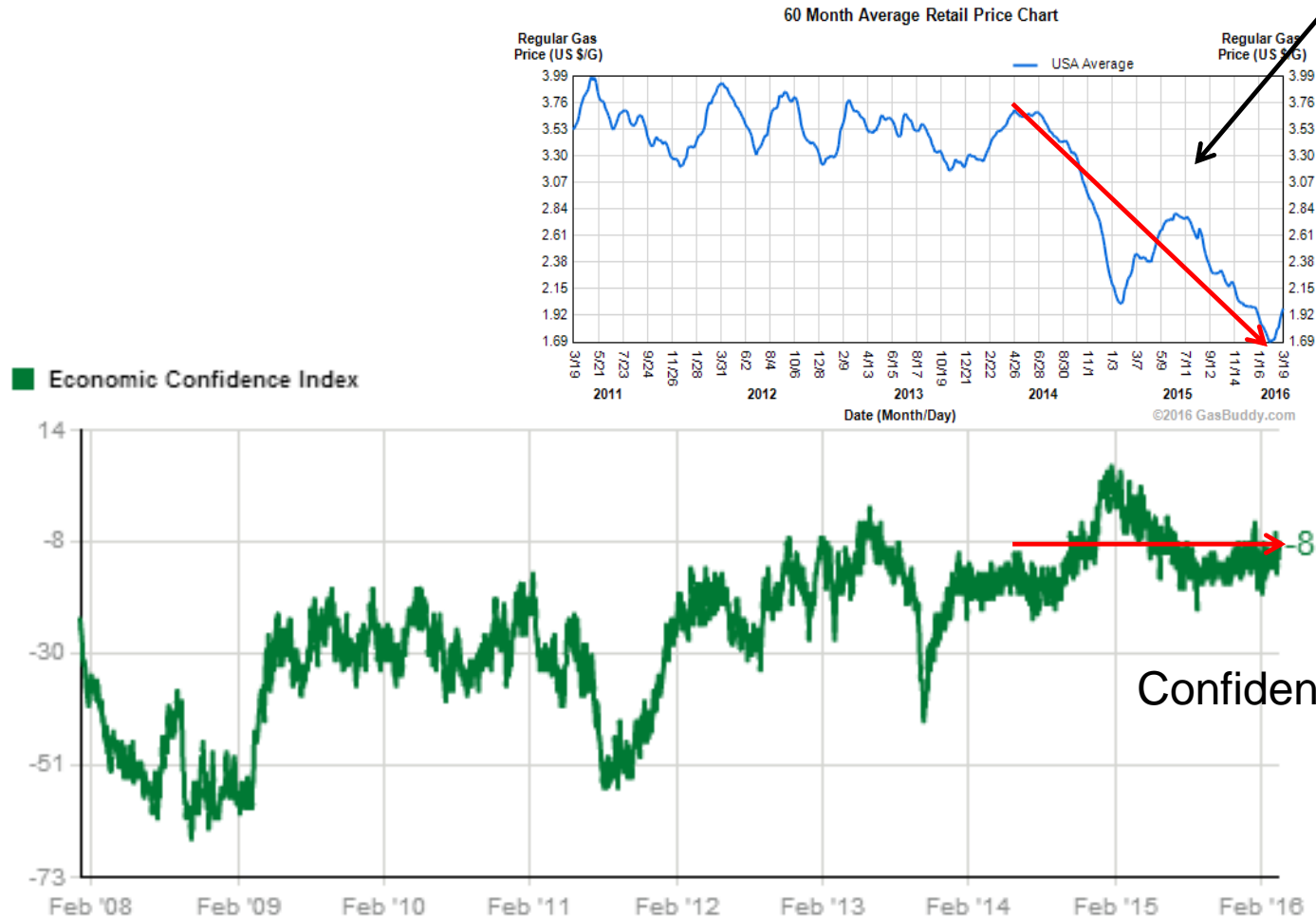
Jan 2008-December 2014: based on weekly averages of Gallup Daily tracking

A Better Way of Thinking

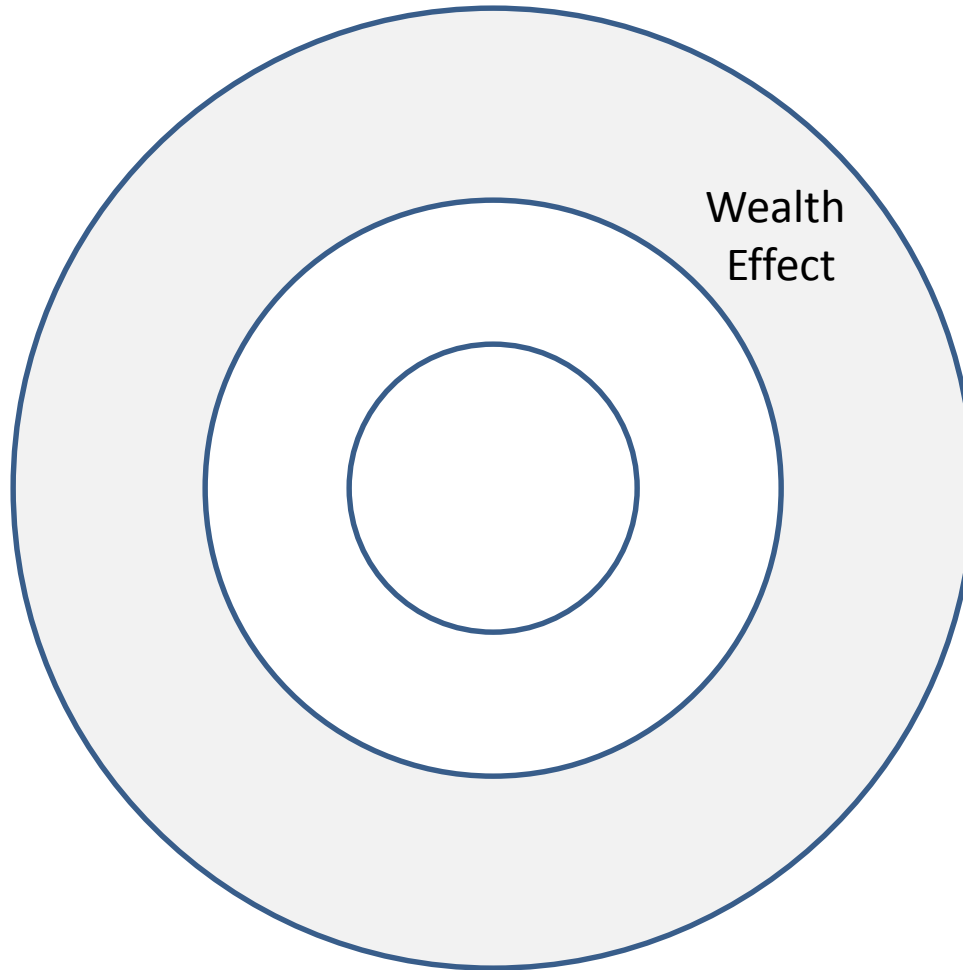
6 years of underconfidence = hoarding

No Bounce In Confidence!!!

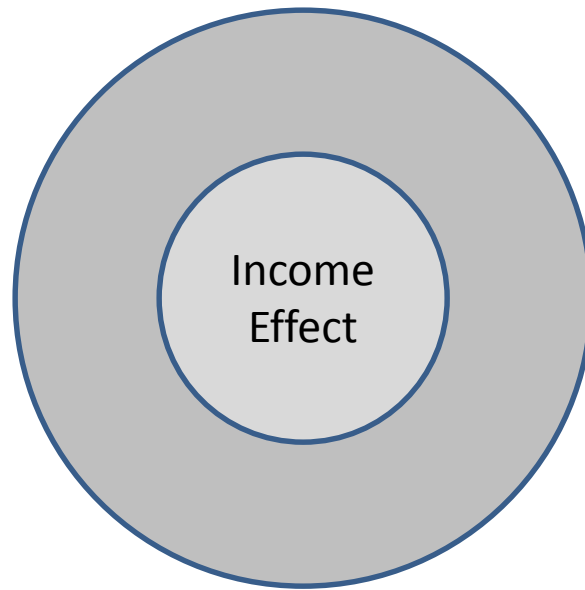
50%+
Drop In Gas
Prices



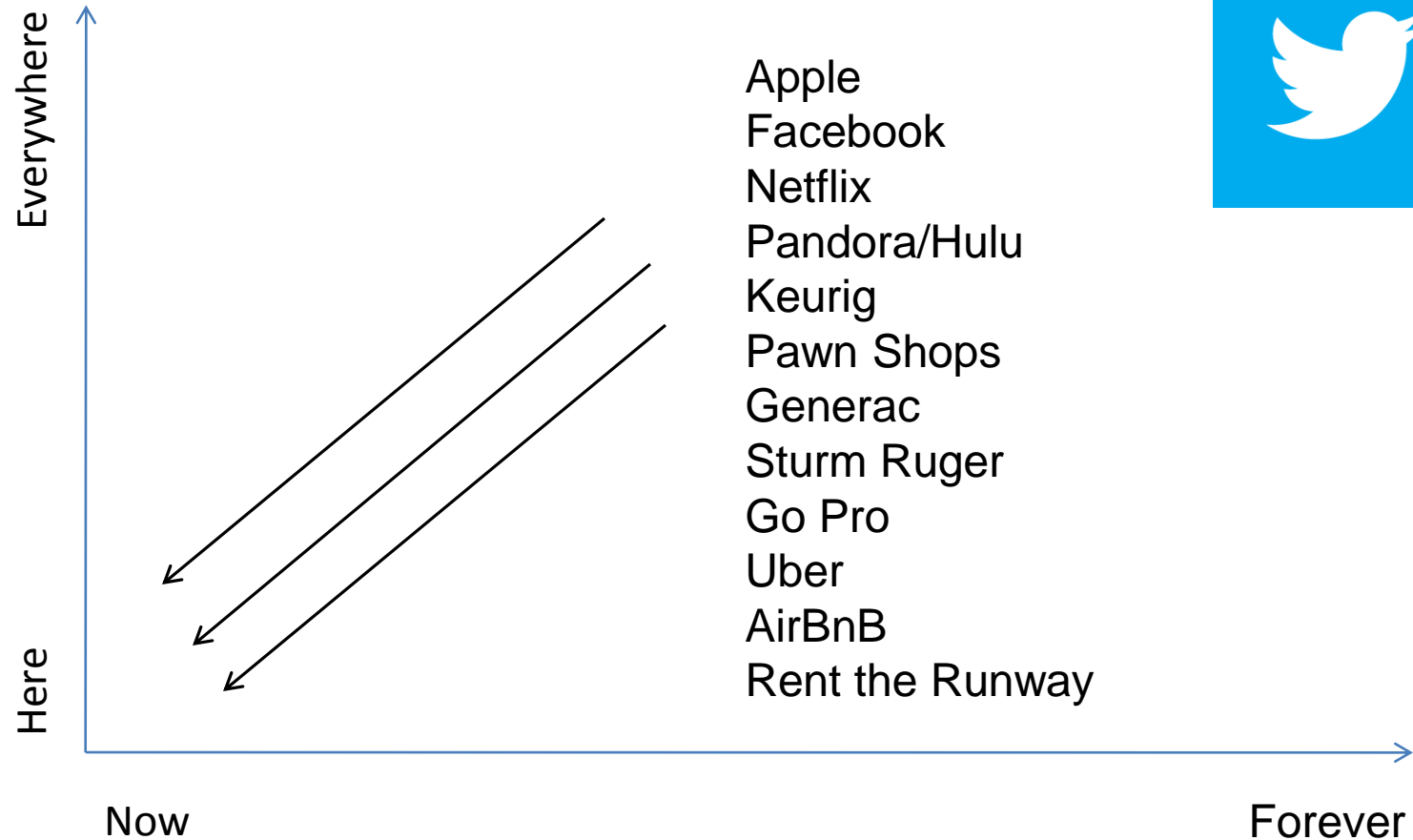
Financial Decision Making

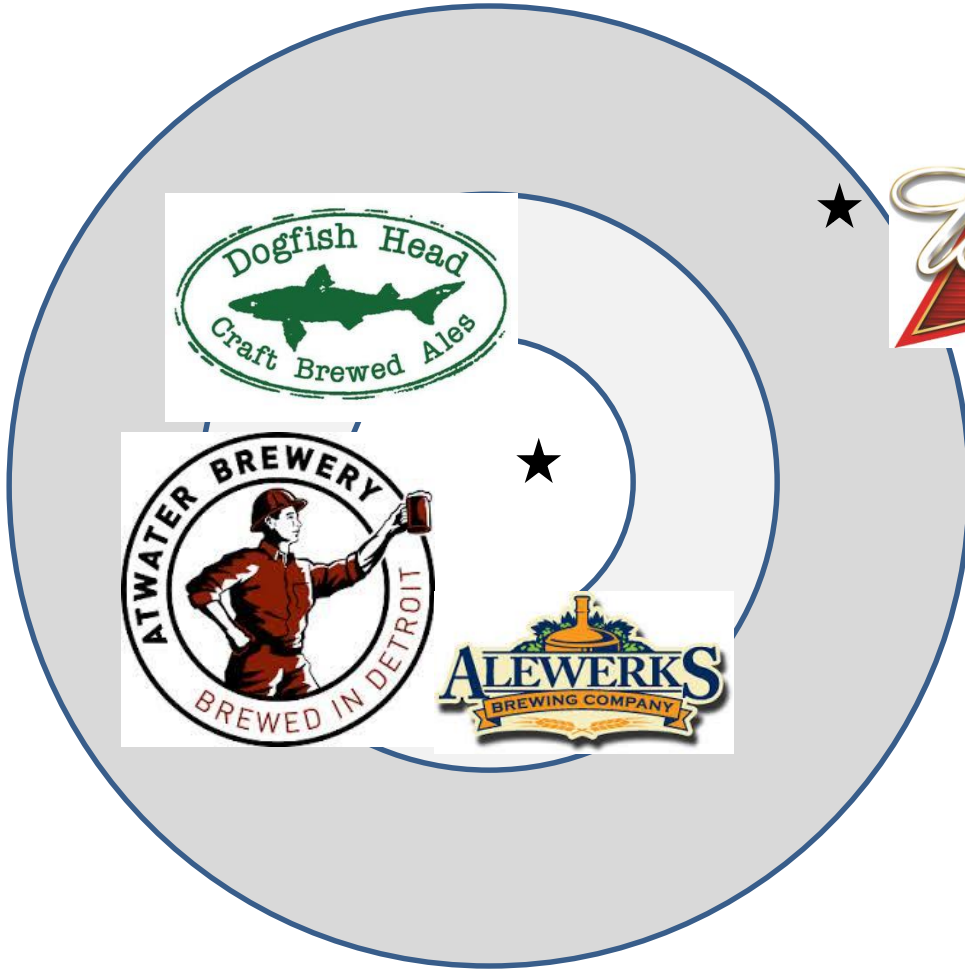


Financial Decision Making



Successful “me, here, now” companies







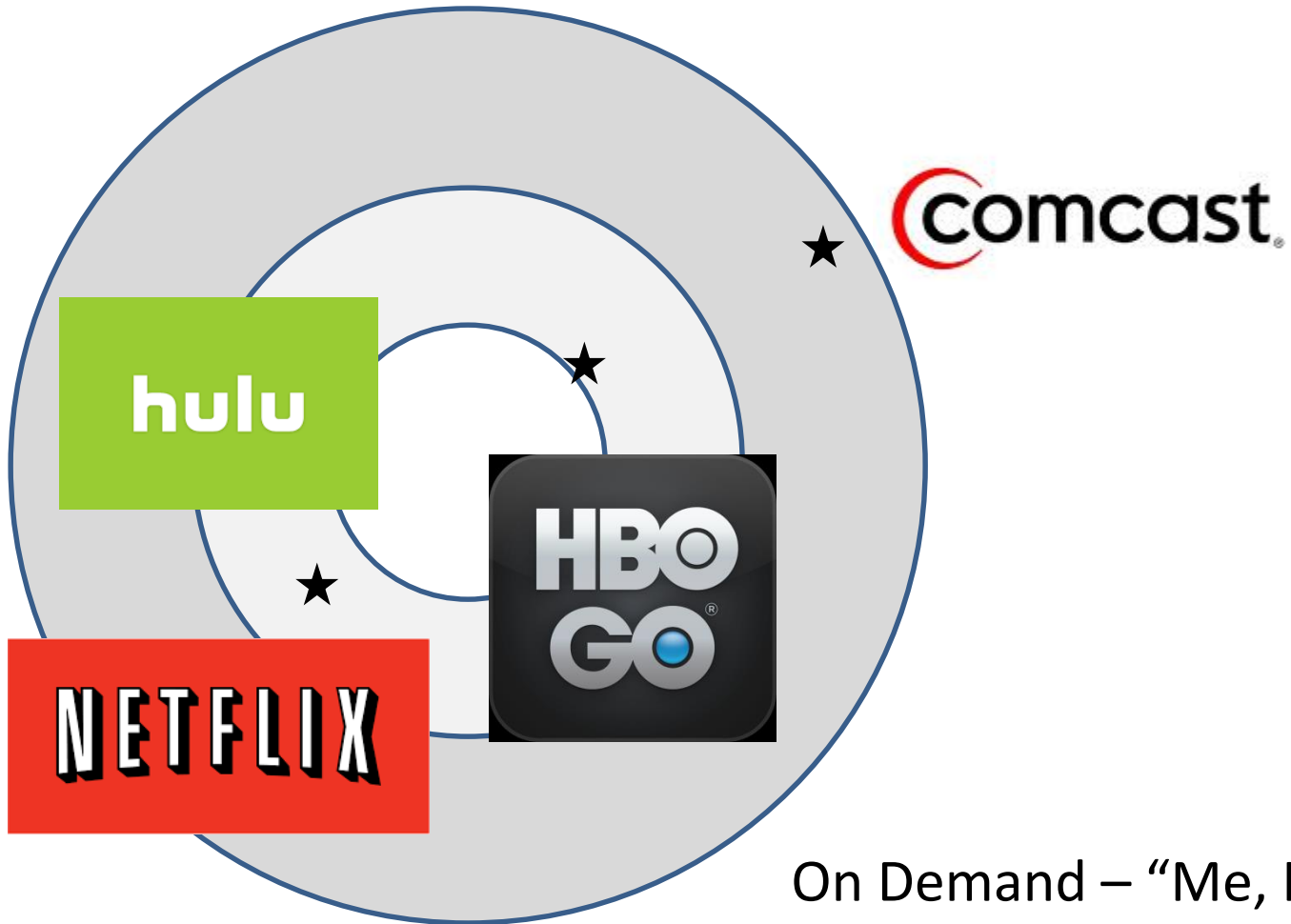
SHAKE
SHACK 

FIVE GUYS®
BURGERS and FRIES

smashburger®

smash. sizzle. savor.®



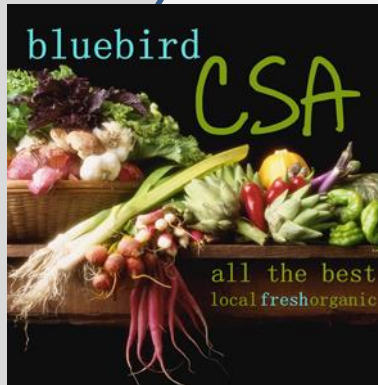


On Demand – “Me, Here, Now” TV

BUSINESS

Kraft, Heinz Brands Need Some Catching Up

Many of their products haven't kept pace with changing American tastes



Combining Cupboards

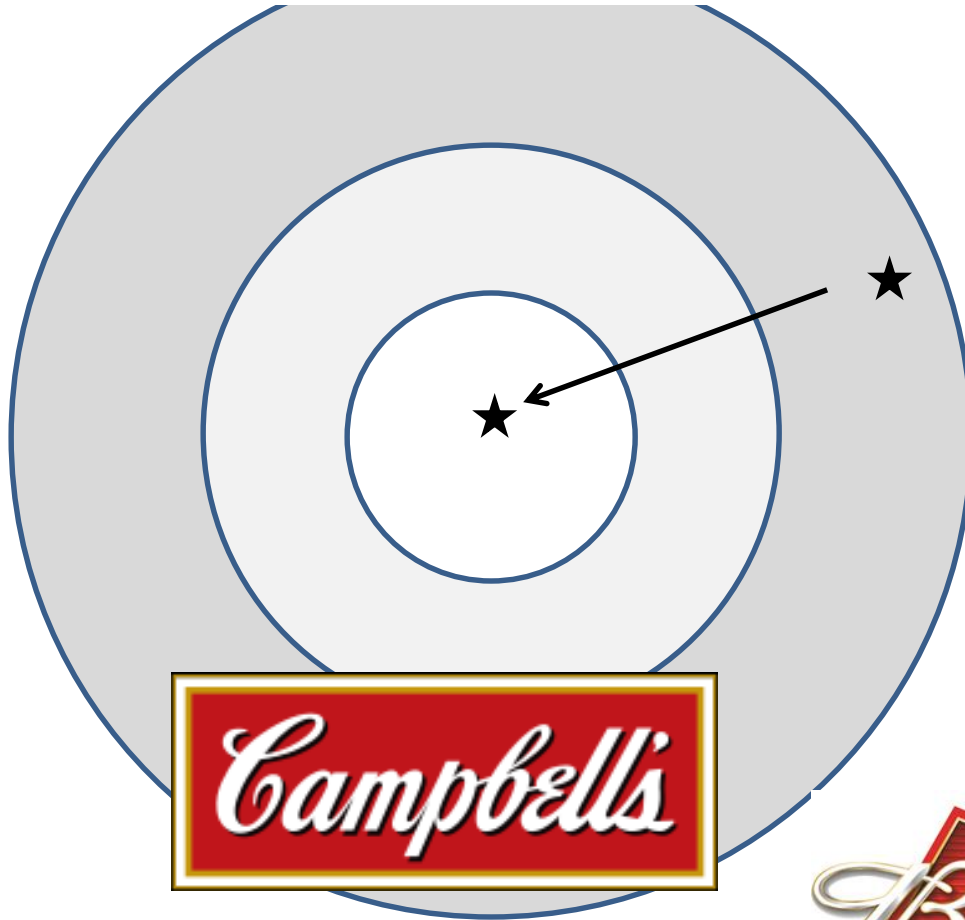
A merger of Kraft and Heinz would put many kitchen staples under one roof.



Source: the companies

Note: Kraft's fiscal year ended Dec. 27; Heinz's fiscal year ended Dec. 26.

THE WALL STREET JOURNAL





Velveeta With Herbed Vermont Goat Cheese

Shake N' Bake With Organic Quinoa Crust

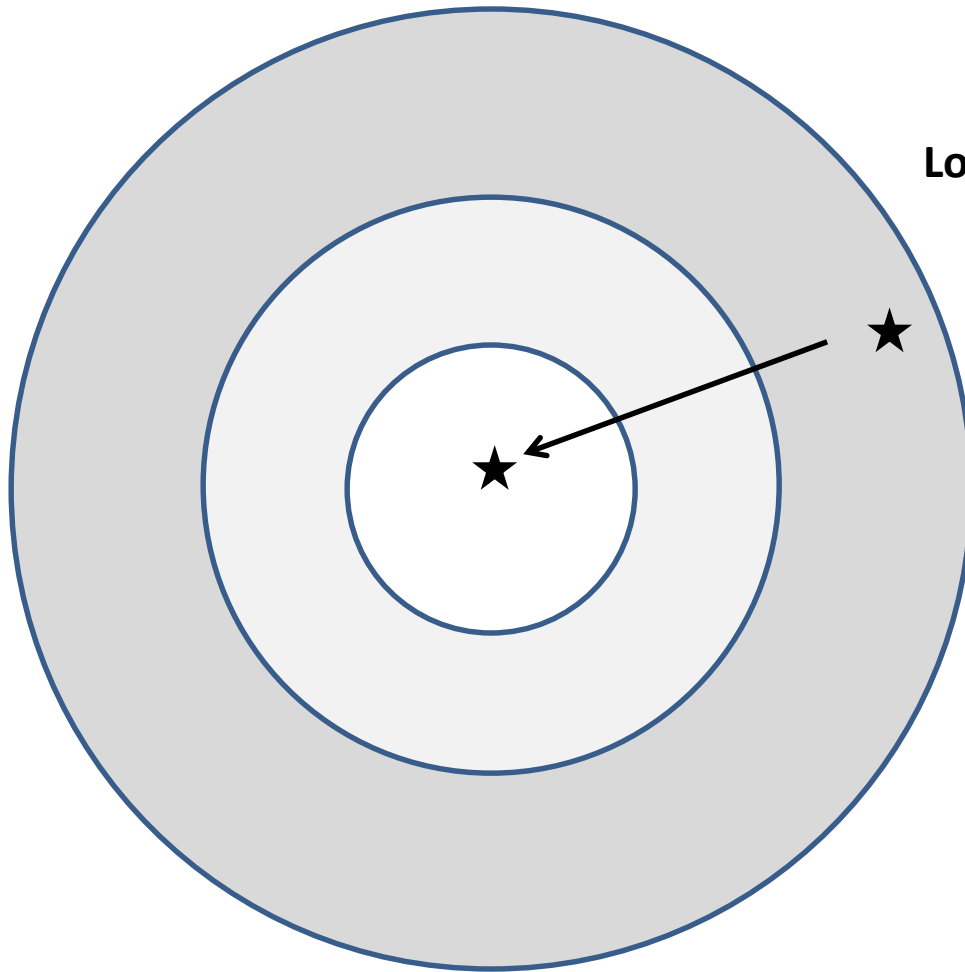
9 Grain Artisan Bread Stove Top Stuffing

Free Range Oscar Mayer Bologna

Micro-brewed Kool Aid

**Small batch Cool Whip from non-GMO fed
cows milk**

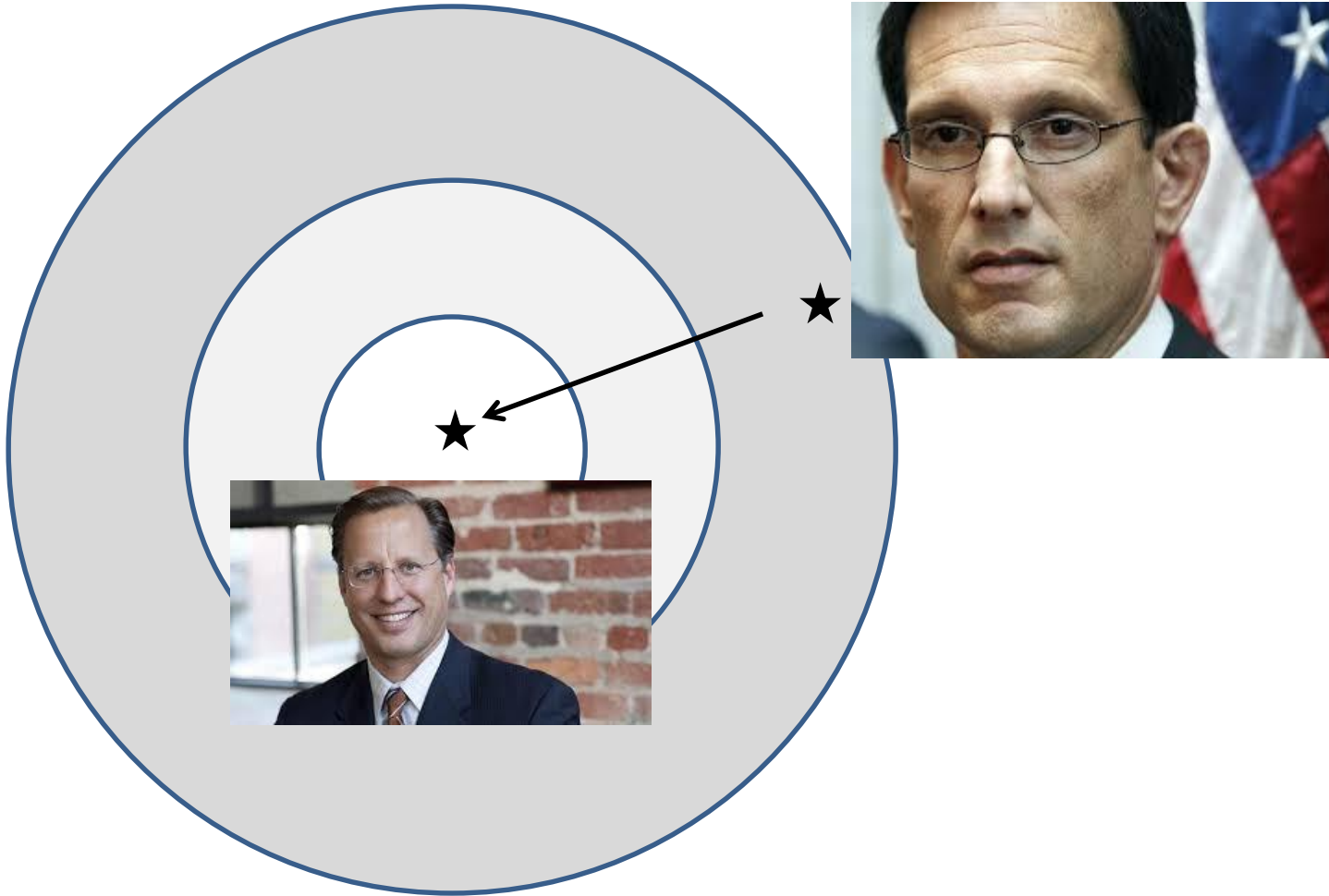
An Insurmountable Challenge?



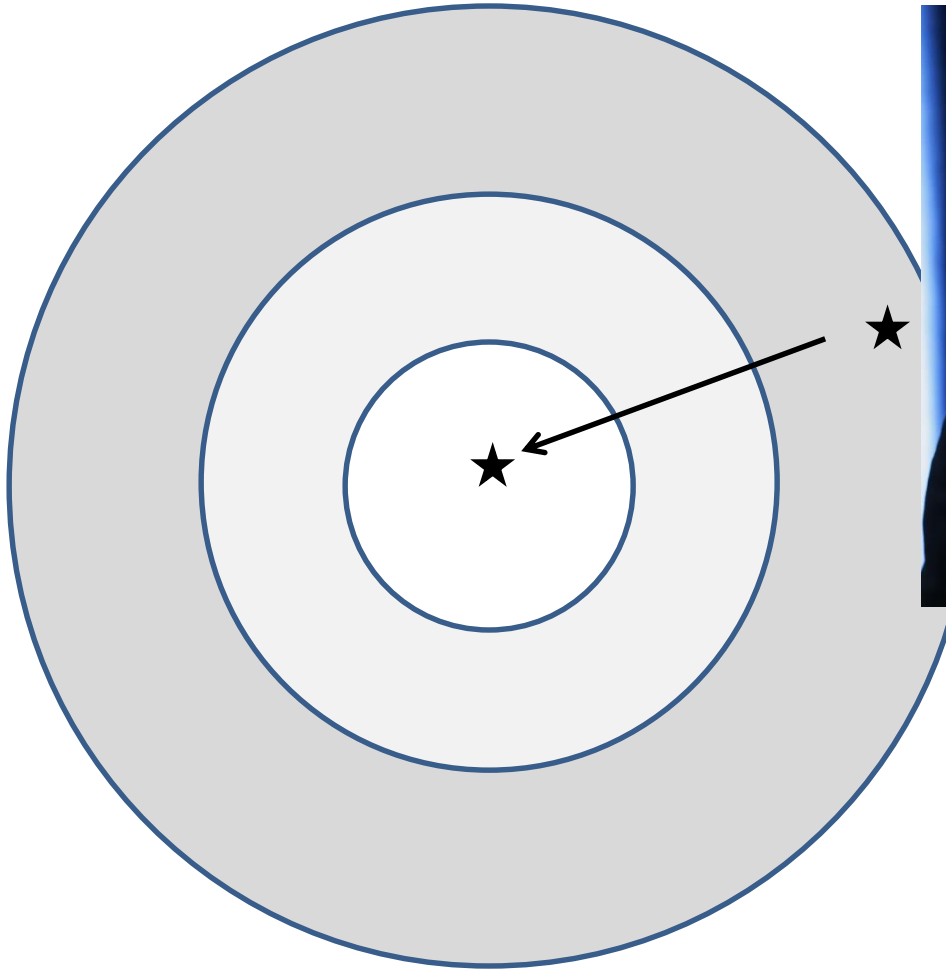
Low Confidence Also Means:

- Lower trust
- Rising Scrutiny
- Demand for authenticity
- Need for a narrow focus
- Need to be local

An Insurmountable Challenge?



An Insurmountable Challenge?



Falling Confidence Means:

- Lower trust
- Rising scrutiny
- Demands for authenticity
- Need for a narrow focus
- Local/Nationalist

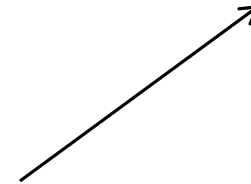
“There is no one I see today who is THE weak social mood Republican candidate. Chris Christie comes closest, but even he may not be extreme enough for what is ahead.”

Financial Insyghts – January 2015

The Connection The Pollsters Are Missing



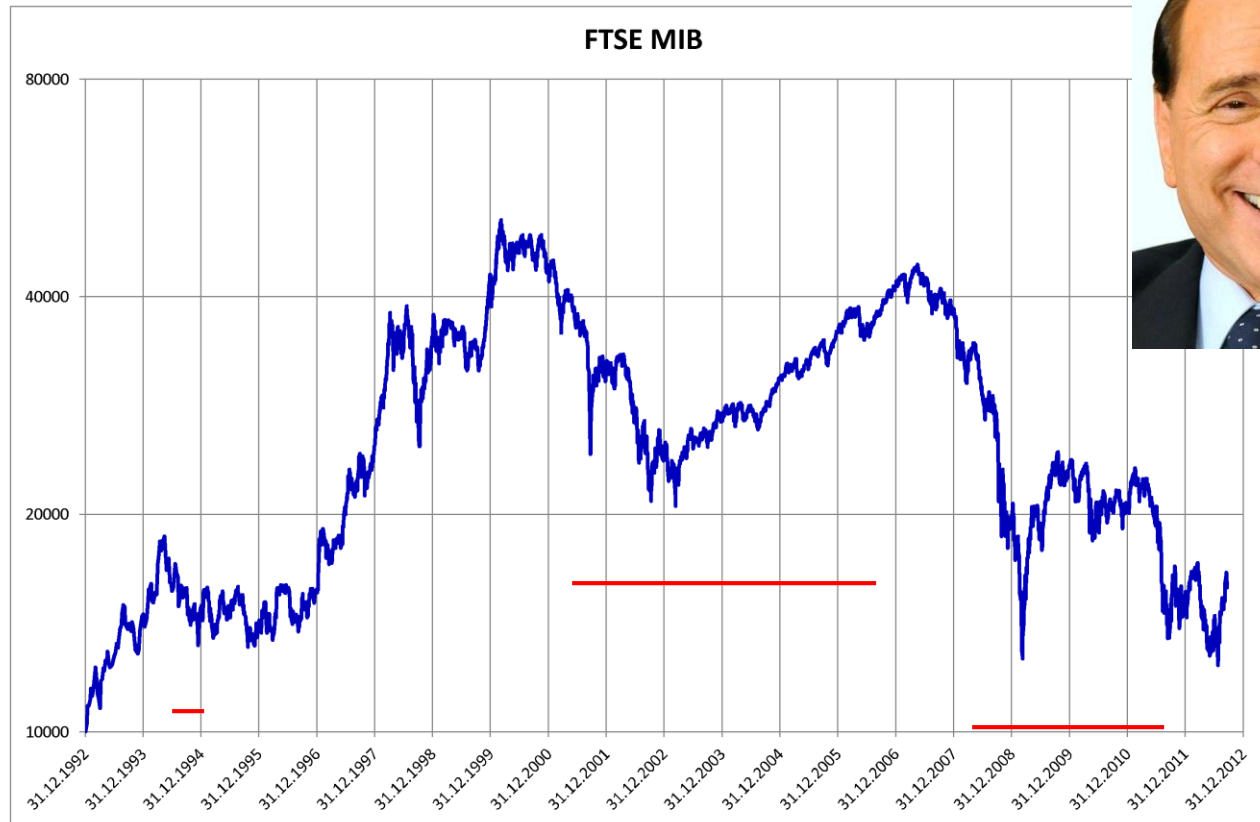
Trump's Popularity
Among Republicans



Main Street Confidence

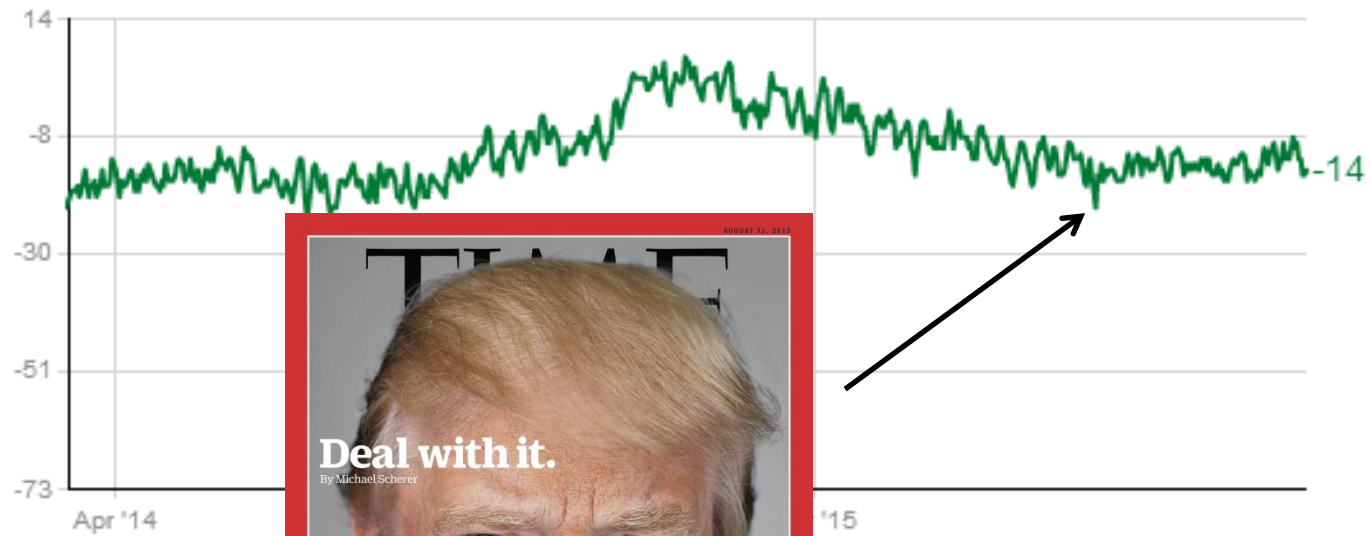


Berlusconi: Big Winner When Social Mood Falls

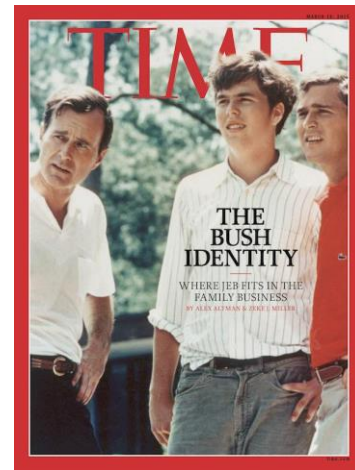


— Period in elected office

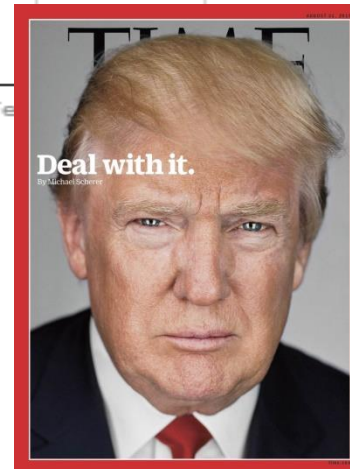
■ Economic Confidence Index



Everything You Need To Know About the 2016 Campaign In One Picture



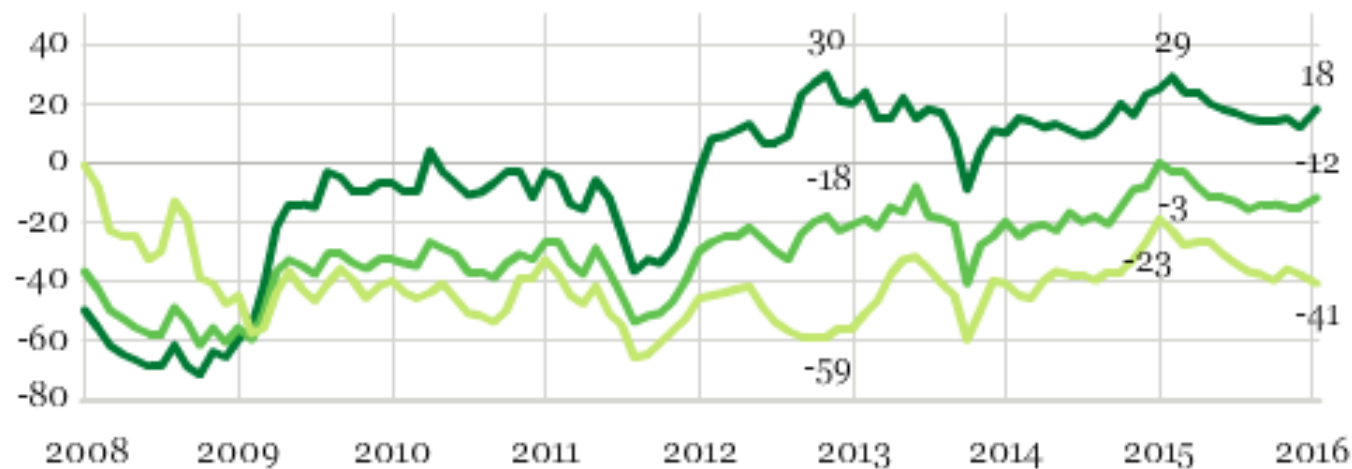
Ted Cruz has not appeared on the cover of Time, but aligns with Trump and Sanders in terms of social mood preference



Gallup's U.S. Economic Confidence Index -- Monthly Averages, by Party

January 2008 through January 2016

■ Democrats ■ Independents ■ Republicans

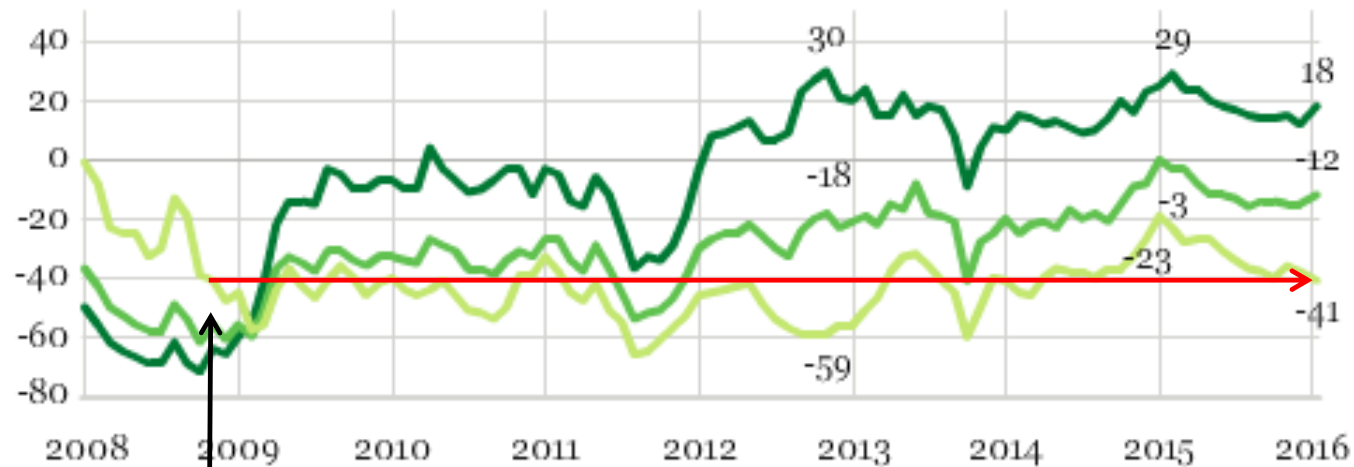


7 Years Of Extreme Underconfidence

Gallup's U.S. Economic Confidence Index -- Monthly Averages, by Party

January 2008 through January 2016

■ Democrats ■ Independents ■ Republicans

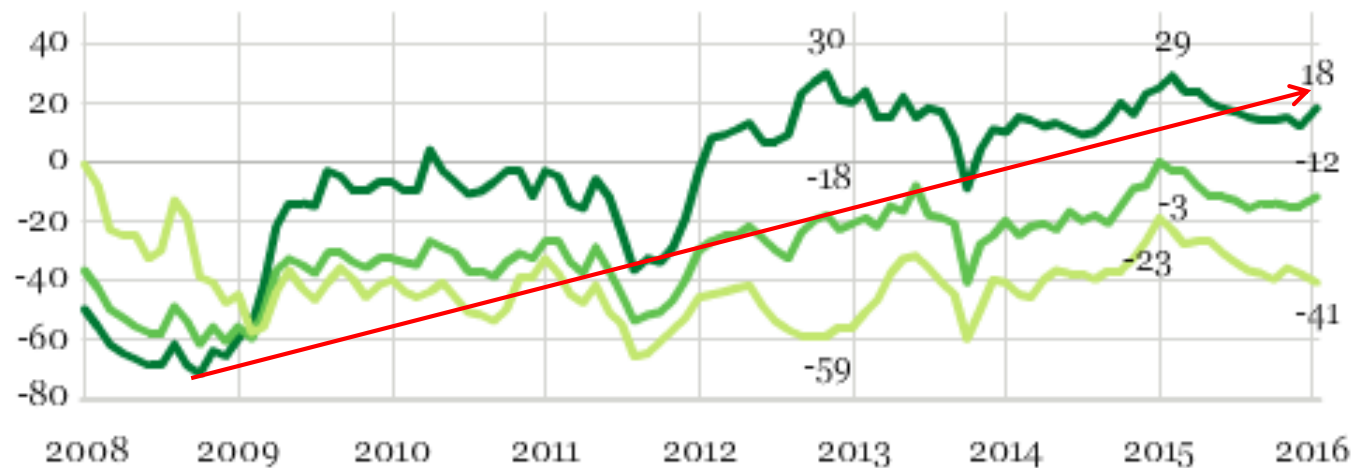


Lehman
Weekend

Gallup's U.S. Economic Confidence Index -- Monthly Averages, by Party

January 2008 through January 2016

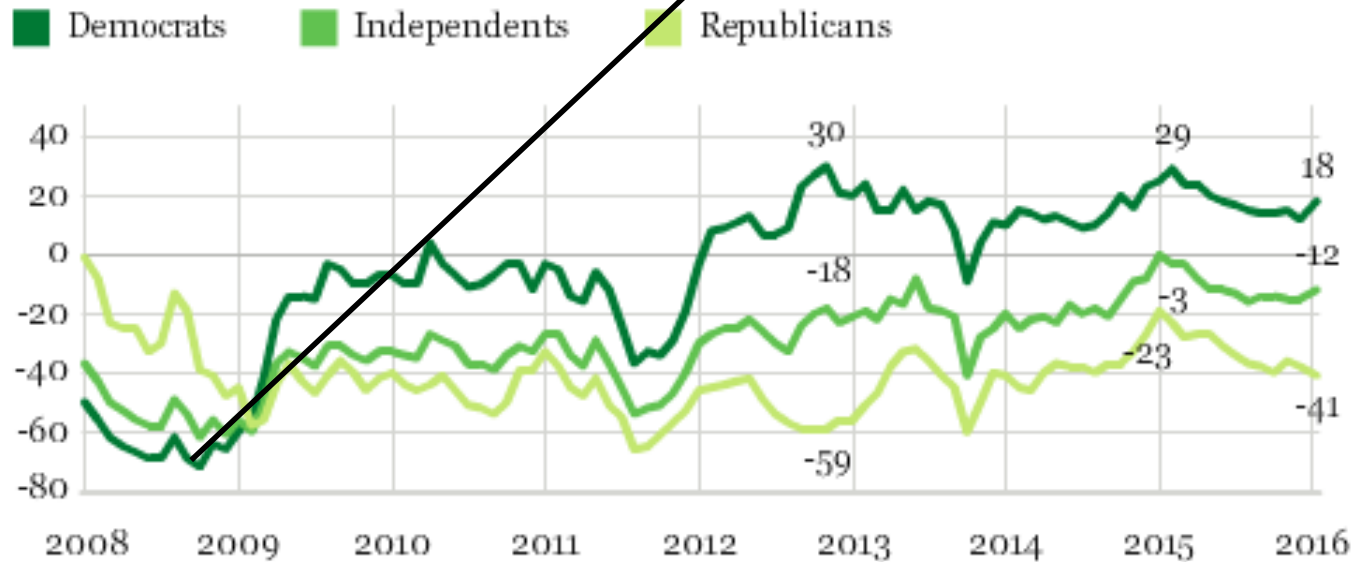
■ Democrats ■ Independents ■ Republicans



Confidence of The Political/Financial Elite

Gallup's U.S. Economic Confidence Index -- Monthly Averages, by Party

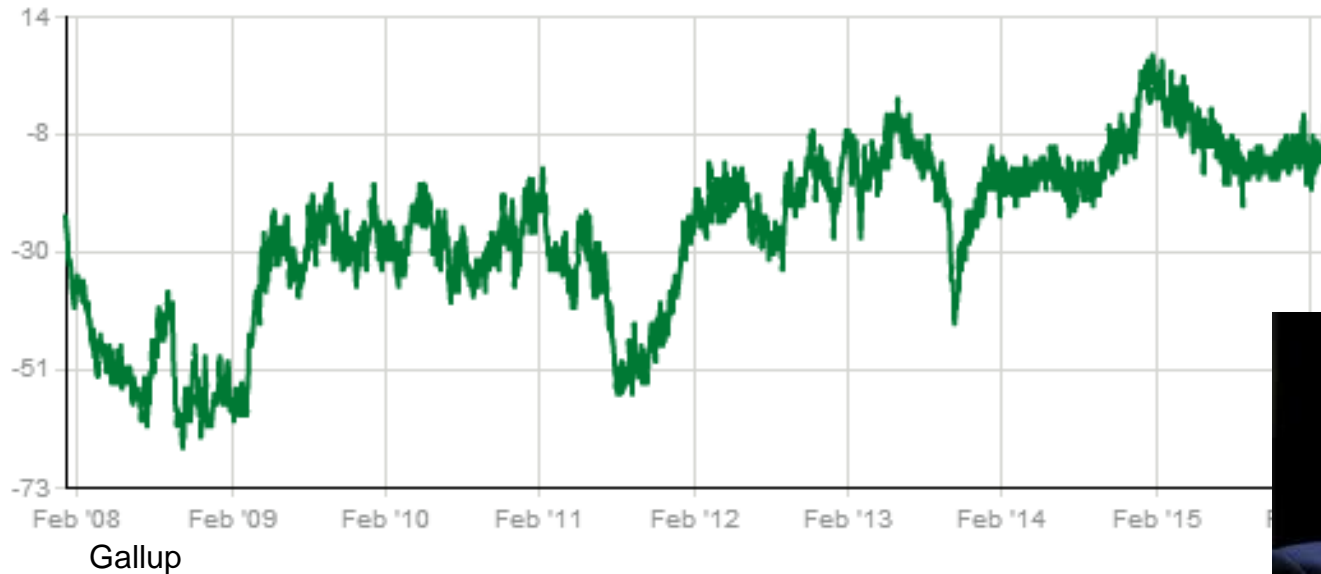
January 2008 through January 2016



2016: The Lady Or The Tiger



■ Economic Confidence Index

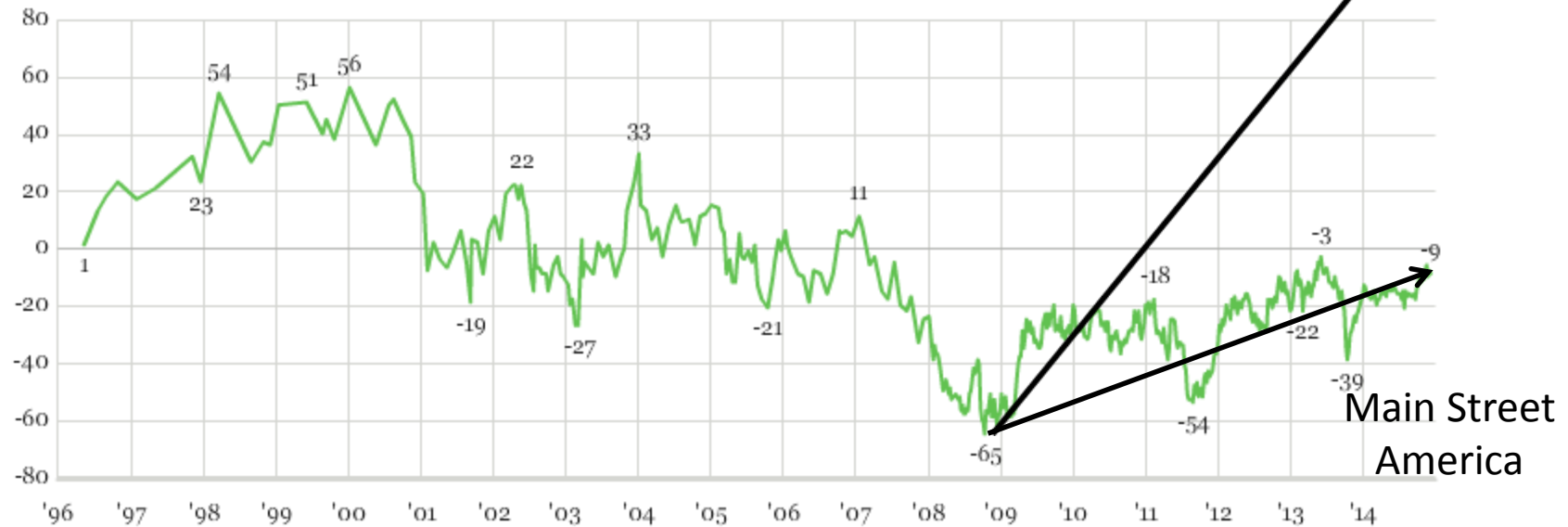


Rising confidence favors Hillary Clinton
Falling confidence favors Donald Trump

Two Distinct Worlds

Tech Titans
And
The Financialized Few

■ Gallup Economic Confidence Index



May 1996-Aug 2000: based on standalone national polls for selected months

Oct 2000-Dec 2007: based on standalone national polls each month

Jan 2008-December 2014: based on weekly averages of Gallup Daily tracking

A Historic Confidence Divide

Gallup Economic Confidence Index



May 1996-Aug 2000: based on standalone national polls for selected months

Oct 2000-Dec 2007: based on standalone national polls each month

Jan 2008-December 2014: based on weekly averages of Gallup Daily tracking

Panama Papers

A Historic Confidence Divide

Gallup Economic Confidence Index



May 1996-Aug 2000: based on standalone national polls for selected months

Oct 2000-Dec 2007: based on standalone national polls each month

Jan 2008-December 2014: based on weekly averages of Gallup Daily tracking

Best Case Continued Slow Growing Confidence



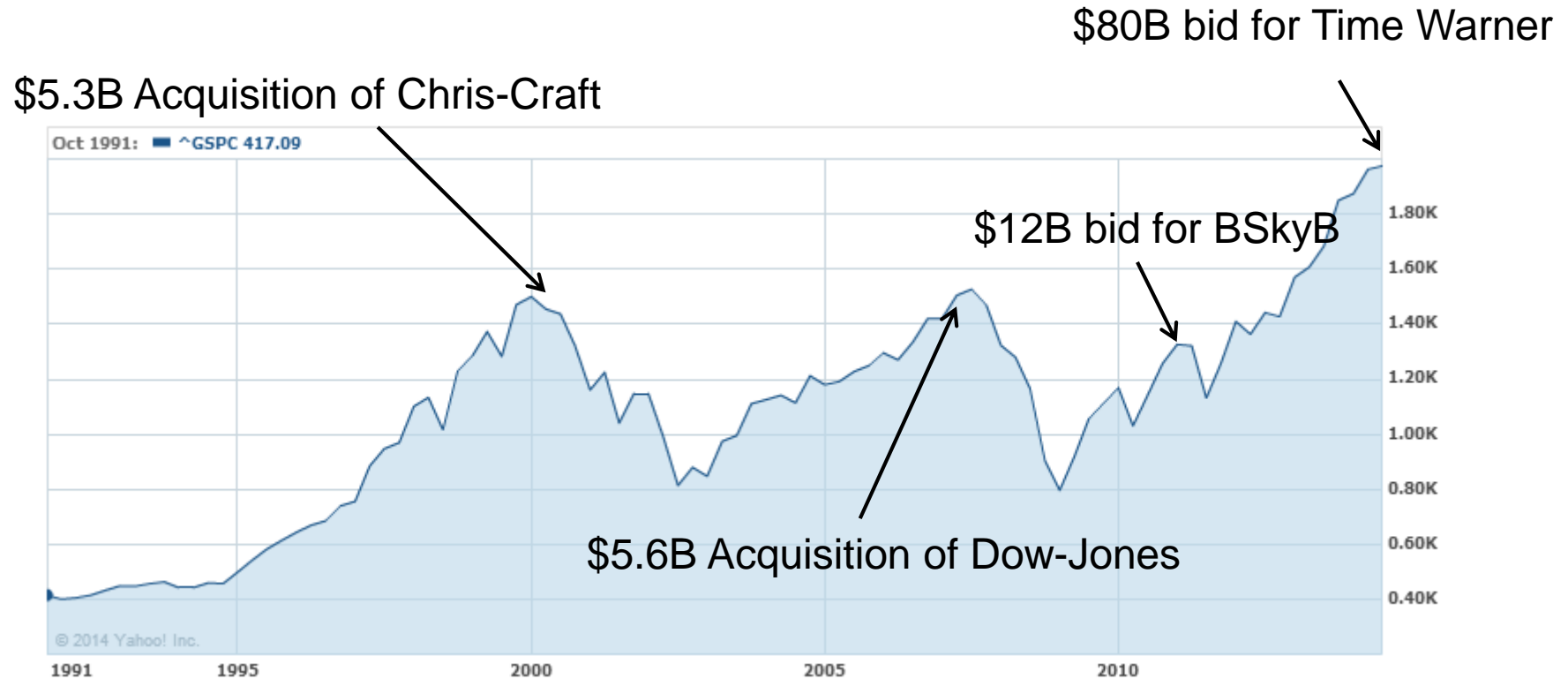
High Risk of a Sharp Decline in Confidence

■ Economic Confidence Index



Source: Gallup

Is Rupert Murdoch Calling The Top Yet Again?



Is Rupert Murdoch Calling The Top Yet Again?

Rupert Murdoch pays \$57M for a four-floor penthouse on E. 23rd St.

\$5

Media mogul lost his Fifth Ave. pad in his divorce from Wendi Deng. Sale price at One Madison Park breaks a record for a downtown apartment.

BY MATT CHABAN / NEW YORK DAILY NEWS / Thursday, February 20, 2014, 5:09 PM



There's room at the top at One Madison Park — and Rupert Murdoch just bought it for \$57.25 million, a record for a downtown apartment.

DBOX/DBOX/RELATED COMPANIES

\$80B bid for Time Warner

bid for BSKyB

ones

2010

Billionaire Bill Ackman aims to flip \$90M One57 penthouse

Hedge-funder said he and friends bought 13,500 sf duplex last year for "fun"
October 28, 2014 01:25PM

« PREVIOUS

NEXT »



Billionaire hedge-funder Bill Ackman of Pershing Square Capital is looking to flip the One57 penthouse condominium he and a group of investors acquired last year for roughly \$90 million.

Such a turnover could render it the priciest attempted flip of a condo unit ever, according to New York Times. Ackman said he acquired the 13,500-square-foot duplex with his friends for "fun."

The apartment on the 75th and 76th floors features a two-story-high, 51-foot-wide glass enclosed "winter garden" with a curved glass roof, as previously reported. Extell Development recently reeled in \$79 million for a pair of One57 units, as *The Real Deal* reported. [NYT] — Mark Maurer

Tags: [one57](#), [pershing square capital](#), [william ackman](#)



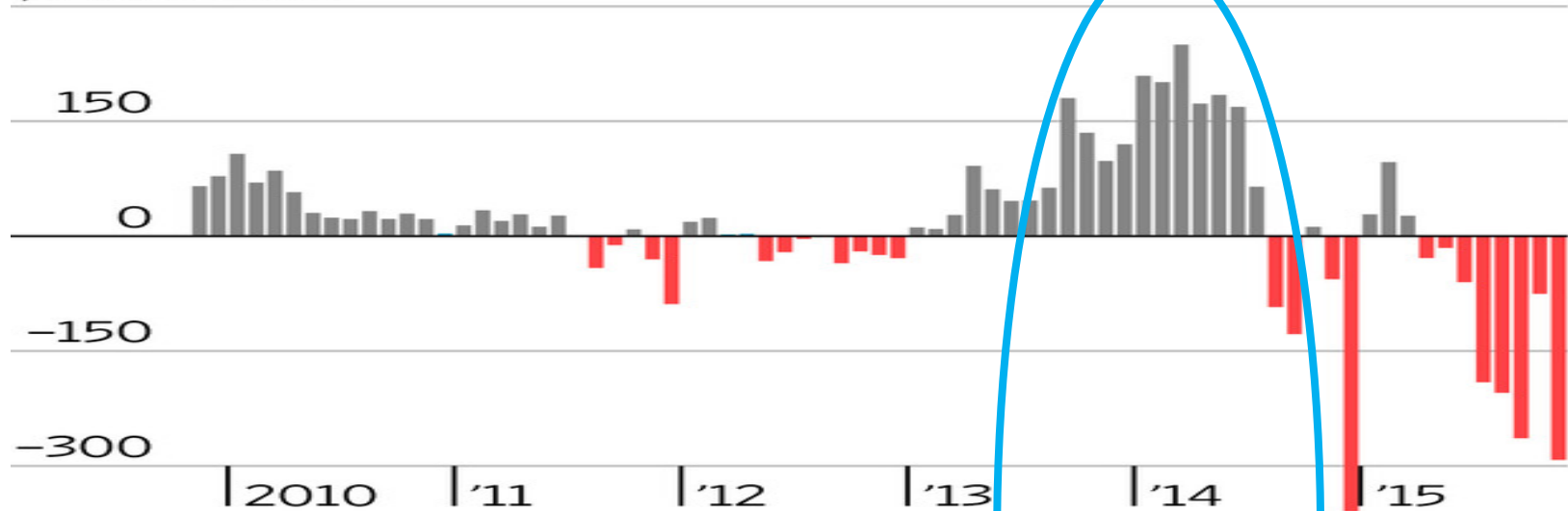
One57 in Midtown and Bill Ackman





Investor flows to fund, monthly

\$300 million



FRED



-St. Louis Fed Financial Stress Index©





The Peak In Confidence Is In

- The Worst Go First:
 - Unicorn Start Ups
 - Distressed Debt
 - Junk Bonds
 - Valeant
 - Subprime Automobile Loans

Last week: DJIA 17265.21 ▼ 582.42 3.3% NASDAQ 4933.47 ▼ 4.1% STOXX 600 355.79 ▼ 4.0% 10-YR. TREASURY ▲ 1 7/32, yield 2.139% OIL \$35.62 ▼ \$4.35 EURO \$1.0991 YEN

What's News

Business & Finance

The Fed is set to raise rates this week on the expectation that jobs and inflation will hit targets, but inflation remains lower than the central bank wants. **A1**

◆ **Investors are bracing** for another difficult week after junk-bond prices Friday posted their largest decline since 2011. **A1**
 ◆ **Third Avenue's CEO** has left, just days after the firm barred withdrawals from its junk-bond fund. **C1**

◆ **Yahoo faces new pressure** from investor groups who oppose giving CEO Mayer more time to show progress on her turnaround. **B1**

◆ **Activist shareholder Loeb** called for the removal of Dow Chemical's CEO over the tim-

Protesters Call for President's Impeachment in Brazil



DEMANDING CHANGE: Thousands of demonstrators against Dilma Rousseff took to the streets on Sunday to pressure lawmakers. **A13**

Cruz Picks Up Steam in GOP Race

By Janet Hook

Sen. Ted Cruz has surged in the 2016 GOP presidential primary contest, consolidating support from the party's conservative voters and emerging as a leading alternative to businessman Donald Trump, a new Wall Street Journal/NBC News poll finds.

The latest poll, coming in a tumultuous month of international and domestic terrorism, found Mr. Trump topped the GOP field, with Mr. Cruz in second place. The Texas senator appears to be benefiting from the sharp decline in support for Ben Carson, a retired neurosurgeon who led the field in Journal/NBC News polls six weeks earlier.

The poll also showed a

Brazil's Vale Makes Billion Dollar Cuts As Stock Down 93% From 2005

Vale S.A. (VALE) ★ Watchlist

3.33 +0.13(+4.06%) NYSE - As of 4:04PM EST

After Hours: **3.27** ↓-0.06 (1.80%) 6:52PM EST



Anglo American to Slash Assets, Cut 85,000 Jobs

Mining company suspends dividend payments, reduces capital spending amid commodities slump



A Major Low?

SPDR Gold Shares (GLD) ★ Watchlist

101.52 -0.27 (-0.27%) NYSEArca - As of 4:00PM EST

After Hours: **101.58** ↑+0.06 (0.06%) 6:10PM EST





Gold/GLD



EWZ/Brazil ETF

Final Thoughts

- Confidence → Action
- Non-market indicators of sentiment are incredibly valuable
- Me, Here, Now or Us, Everywhere, Forever?

Final Thoughts

- Today:

Peaked(ing) confidence among a very few

Chronic underconfidence on Main Street

Falling confidence in Europe (again)

Watch for signs of falling confidence

Commodities/EM: a major bounce or more