

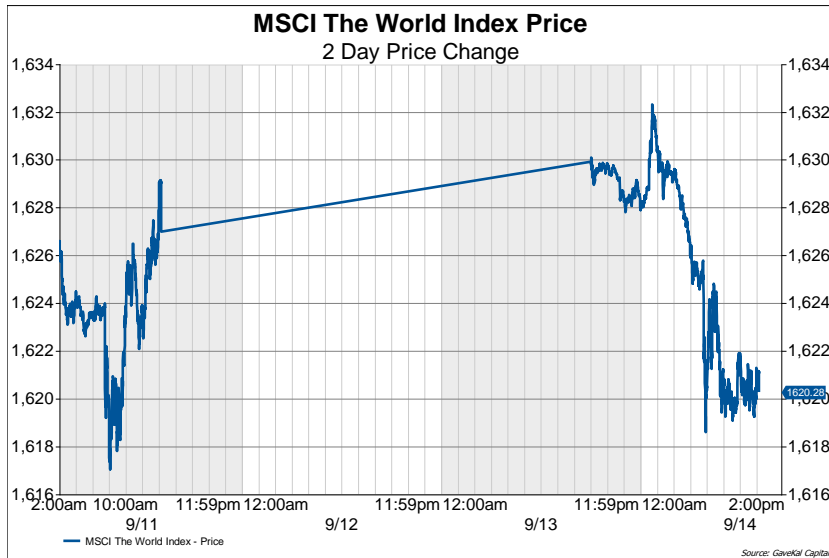
Highlights

- Equities were down modestly on the day with selling in Asia and Europe carrying over through the first part of the US session
 - US stocks finished down .4% and despite a few attempts to rally they basically bounced around the low end of the day's range all afternoon
 - Utilities, Tech and Financials led today, but Utilities was the only sector to finish in the green
 - Bringing up the rear was the usual Energy, Materials and Telecom
 - Energy's initial bounce off of the 8/25 low is fading fast and has now been overtaken by both Tech and Consumer Discretionary
 - As such, it's looking more and more like the strength in Energy off of the 8/25 low was driven by short covering
 - EMs were up .6% today in aggregate with all 10 sectors higher on the day led by Energy, Utilities and Health Care
 - DM and EM Knowledge Leaders were weaker than their benchmark indexes on the day, as the indexes play catchup to last week's Knowledge Leaders outperformance
 - Over the last year Developed World and Emerging Markets Knowledge Leaders have bettered DM and EM stocks by more than 7% each
 - Over the last year, DM stocks are down 5.9% and EM stocks are down 24.4%
- Government benchmark bond yields were basically flat on the day with the US and some European benchmarks slightly lower and Japan slightly higher
- The Ausi dollar was the big winner today amid an otherwise quite time in FX land
- Copper led commodities lower as it finished down 1.8%, but other moved in commodities were pretty uneventful
- All in all, markets were quite ahead of this week's big Fed decision

Daily Financial Markets Wrap – Equities

September 14, 2015

MSCI World Index

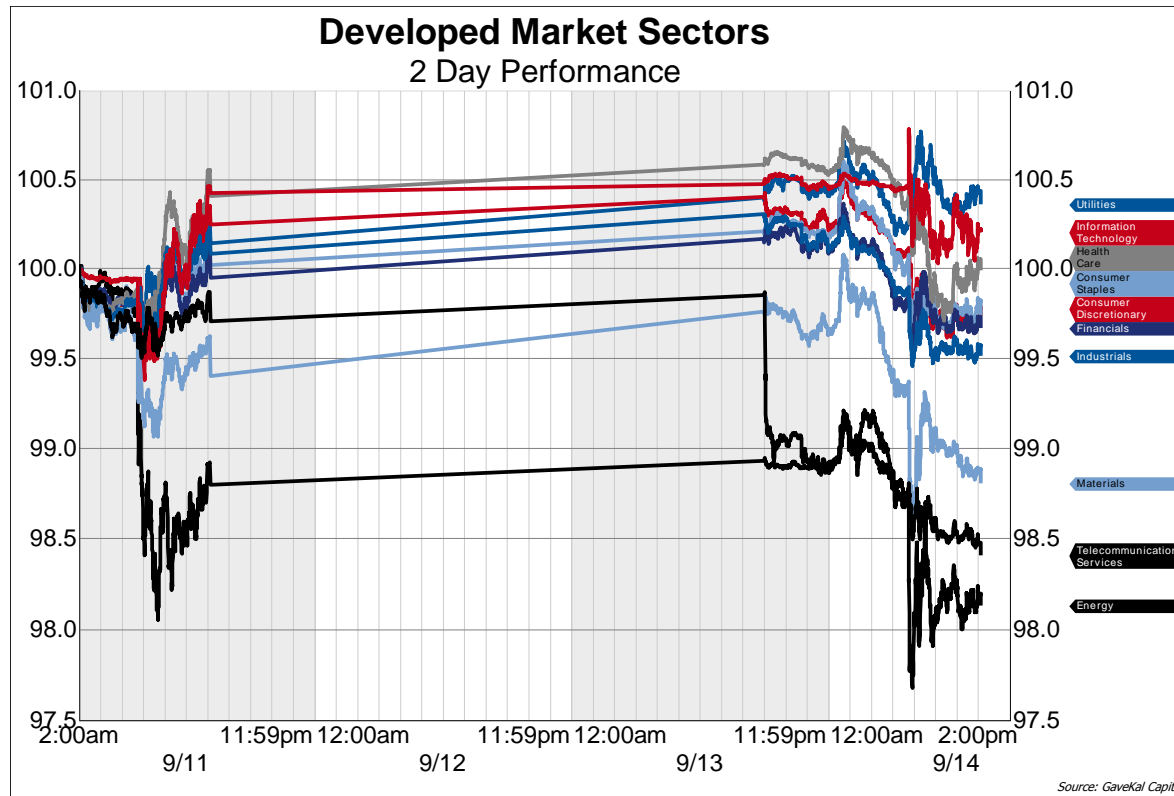


- Returns over the last year remain subpar and the trendline since the October low is clearly broken
- Dead cross still in place



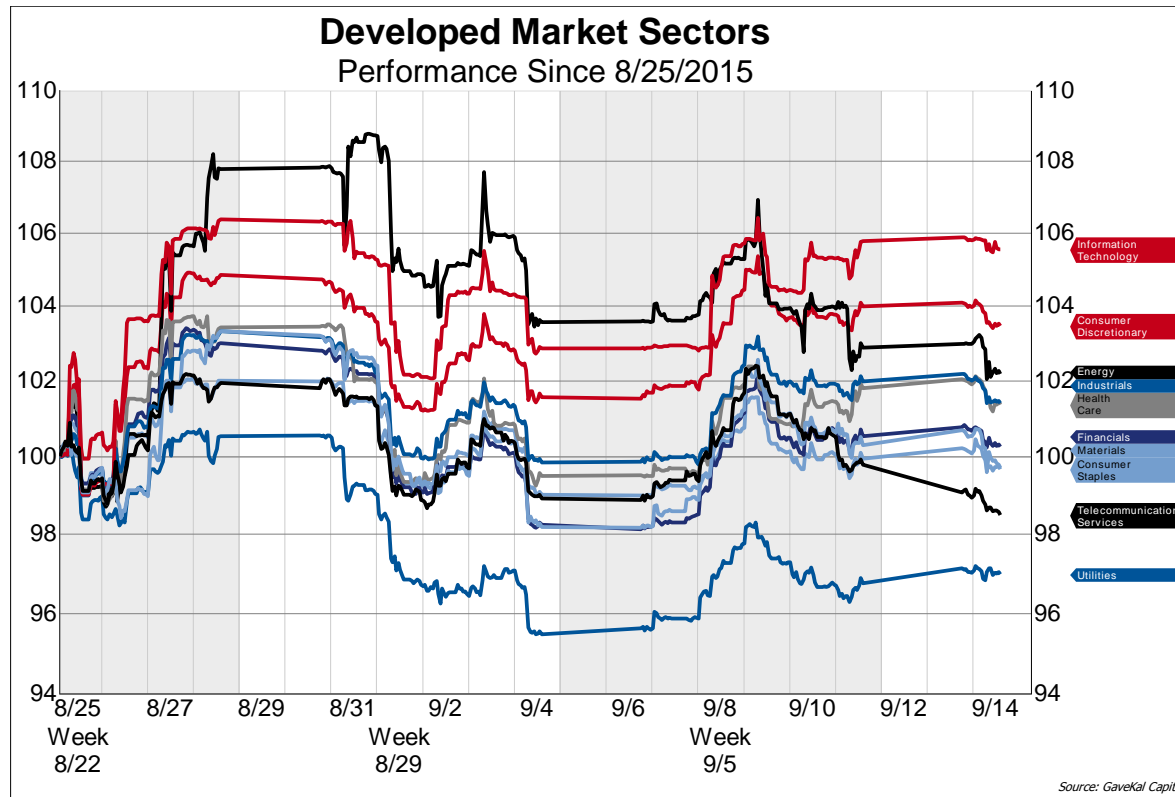
Daily Financial Markets Wrap – Equities

September 14, 2015



Daily Financial Markets Wrap – Equities

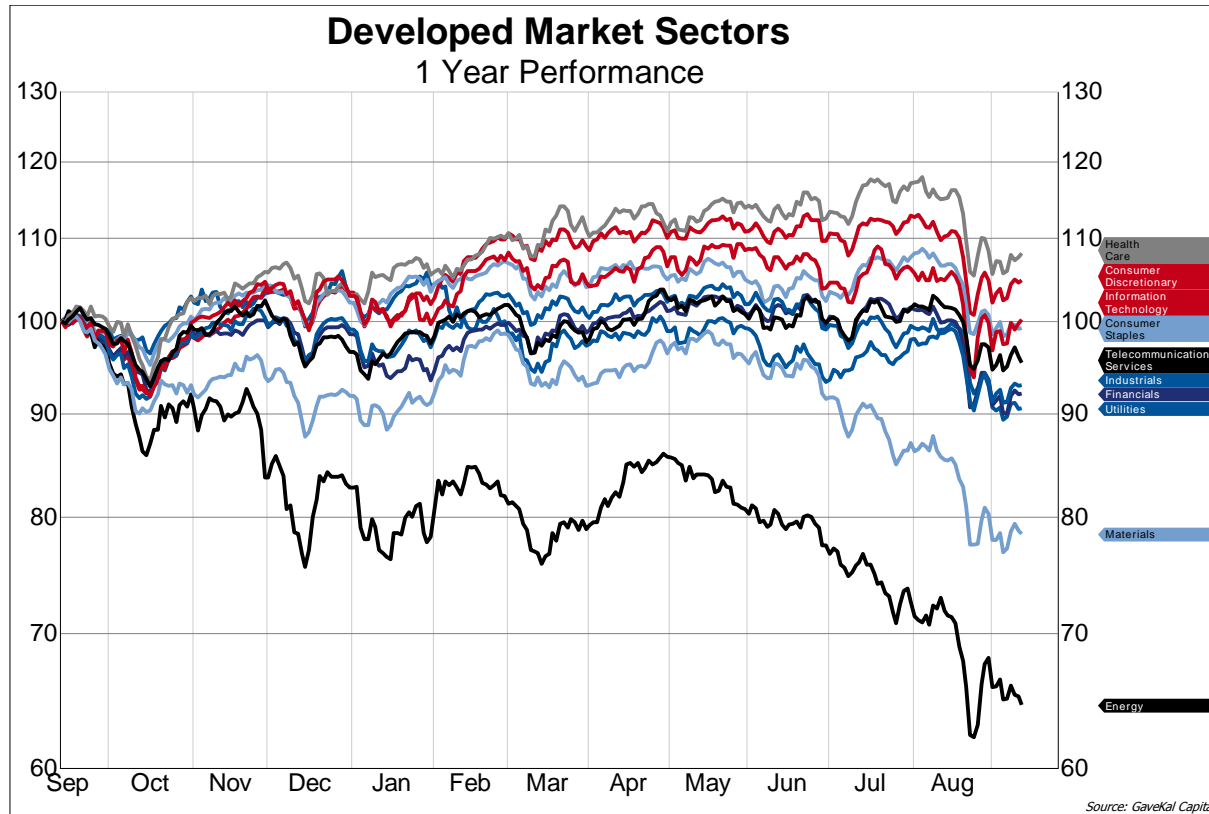
September 14, 2015



- Since the 8/25 low, Energy was initially strong, but it's giving back those gains

Daily Financial Markets Wrap – Equities

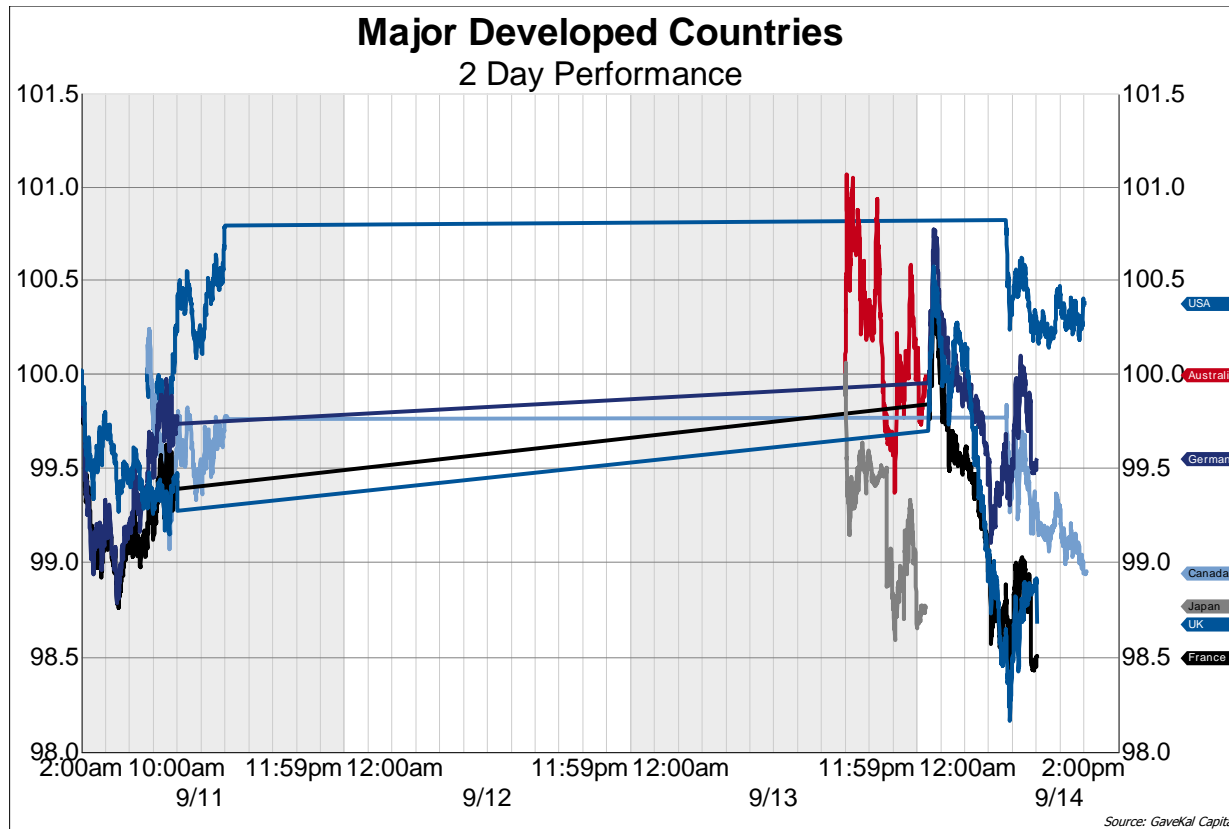
September 14, 2015



- Health Care and Consumer Discretionary continue to be the standout sectors since the over the last year

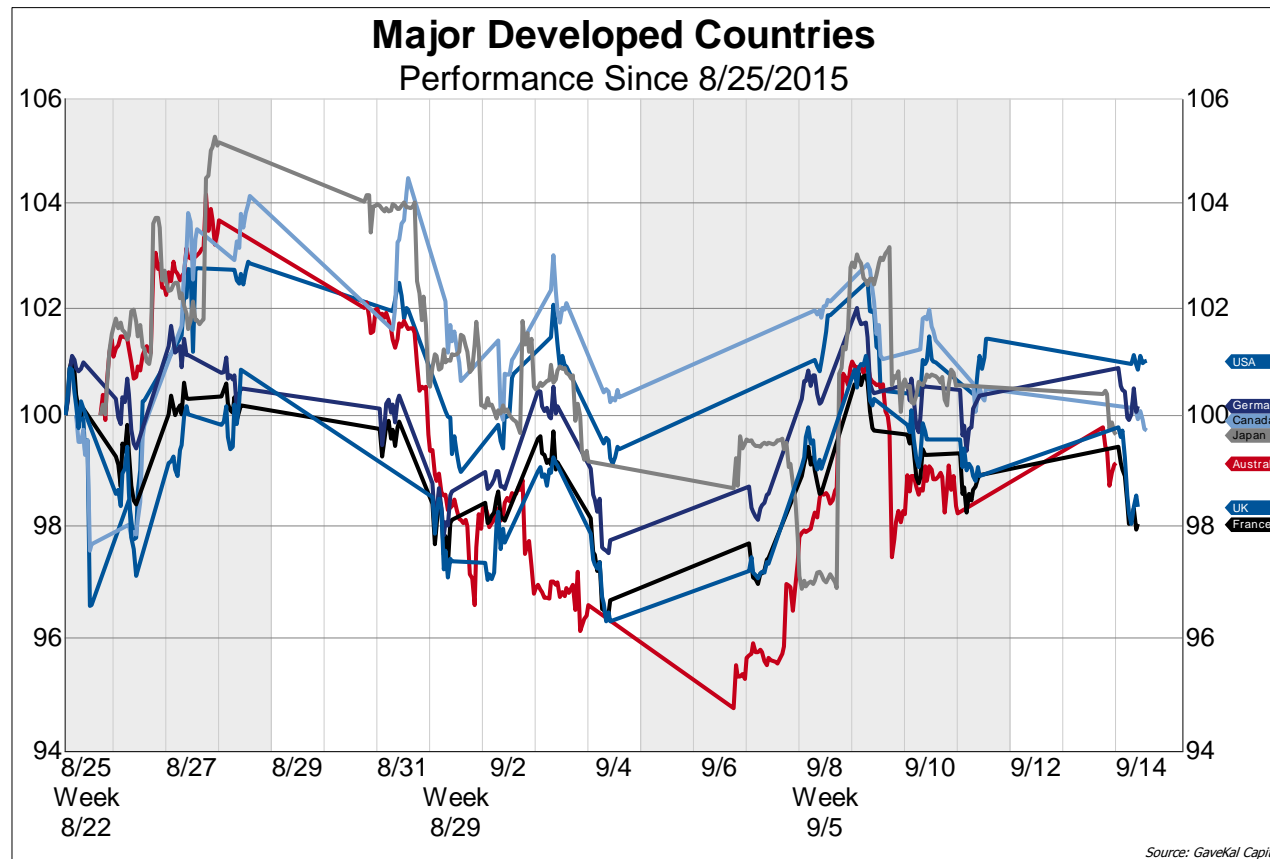
Daily Financial Markets Wrap – Equities

September 14, 2015



Daily Financial Markets Wrap – Equities

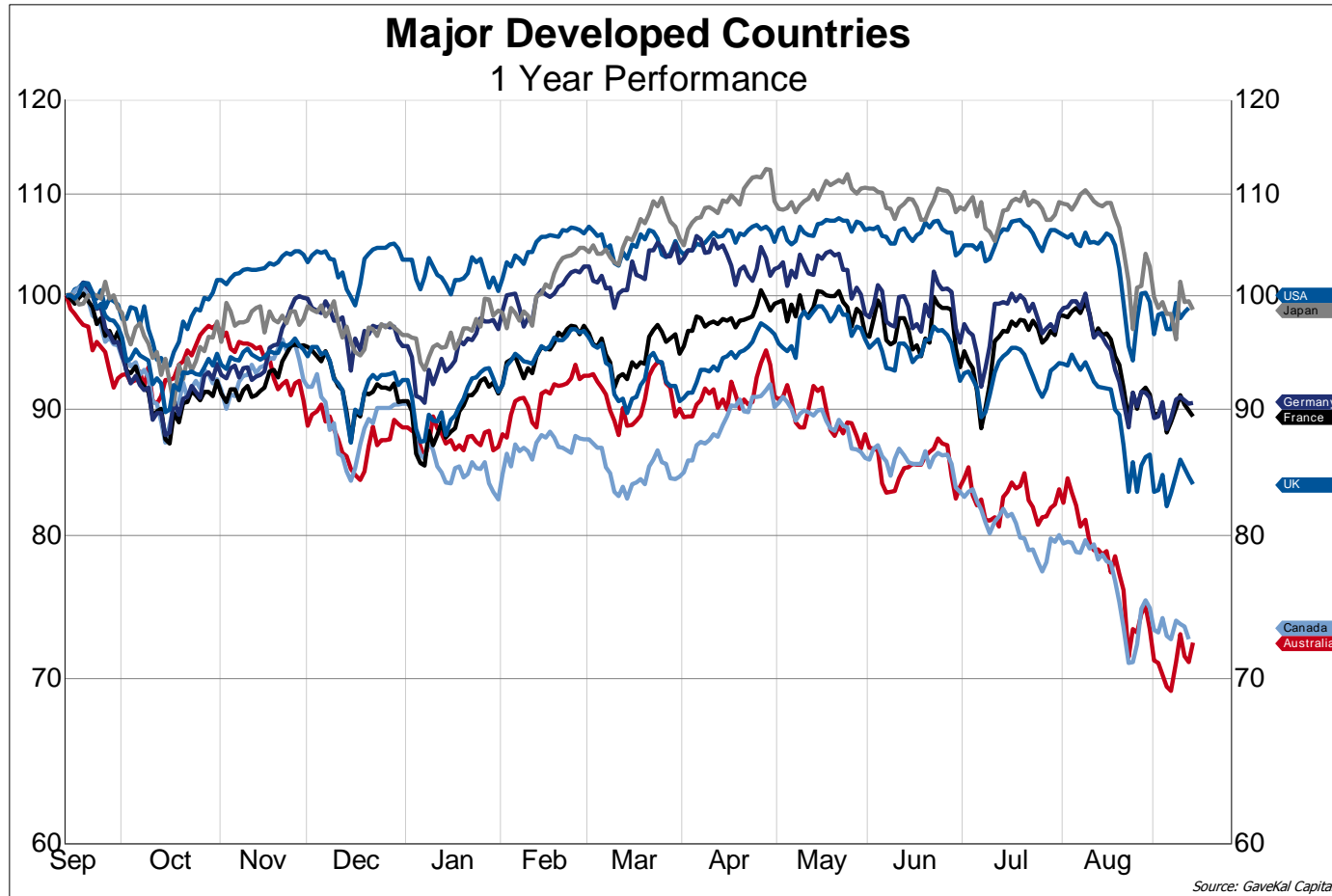
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- The US and Germany are the only major DM countries to be positive post the 8/25 low

Daily Financial Markets Wrap – Equities

September 14, 2015



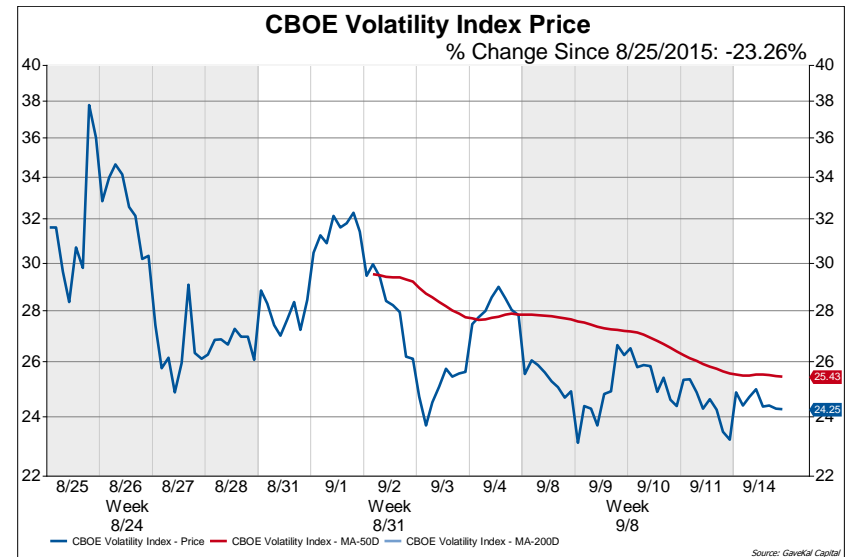
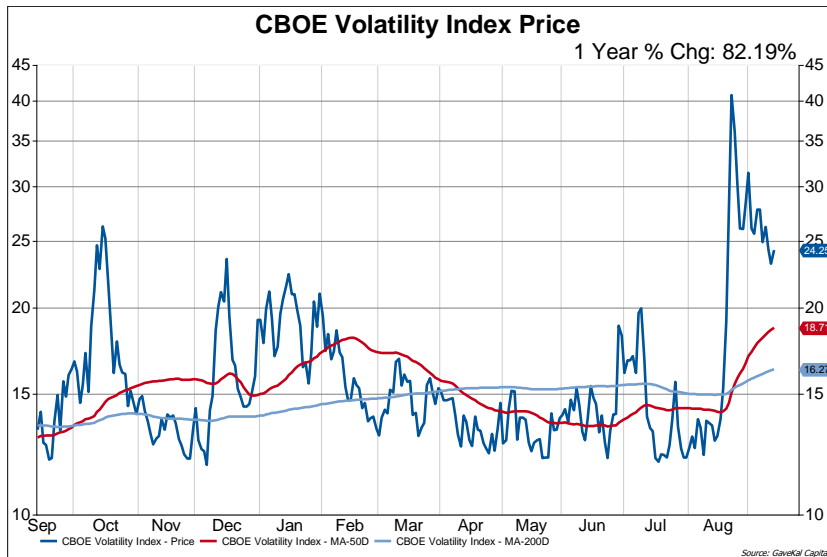
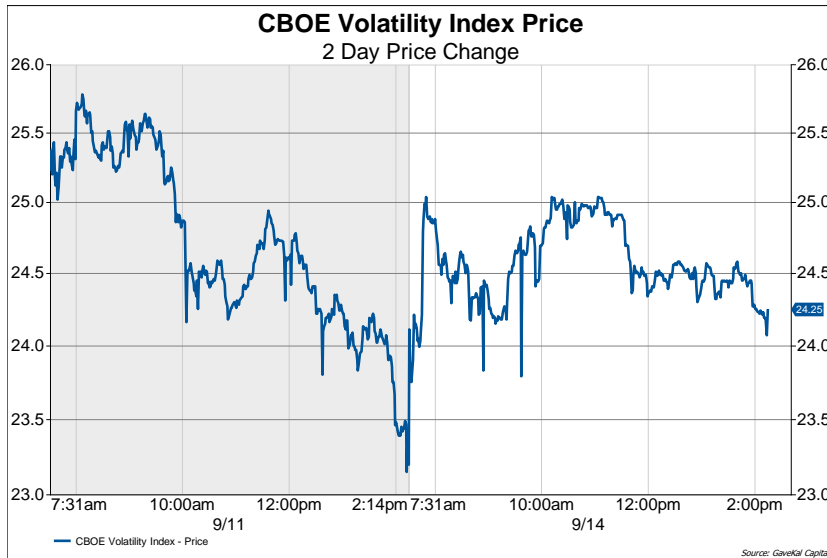
- The commodity countries remain the losers over the last year, despite the recent bounce

Daily Financial Markets Wrap – Equities

September 14, 2015

VIX

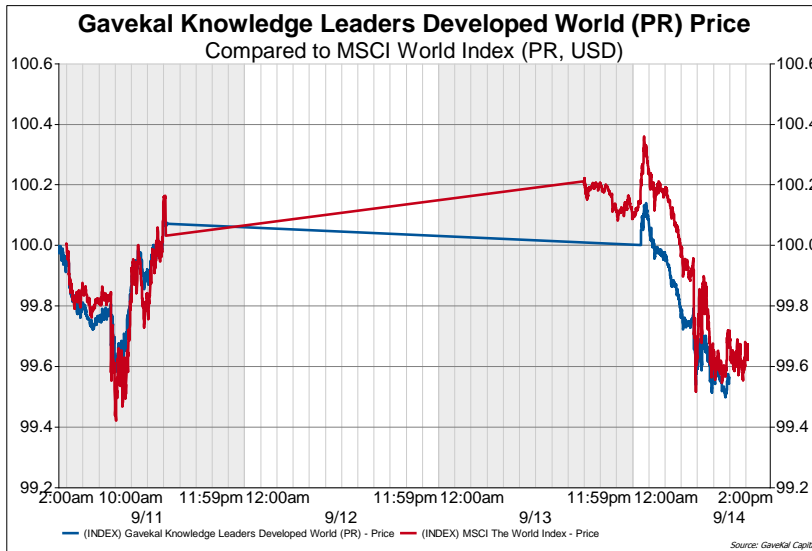
- VIX returning back to earth



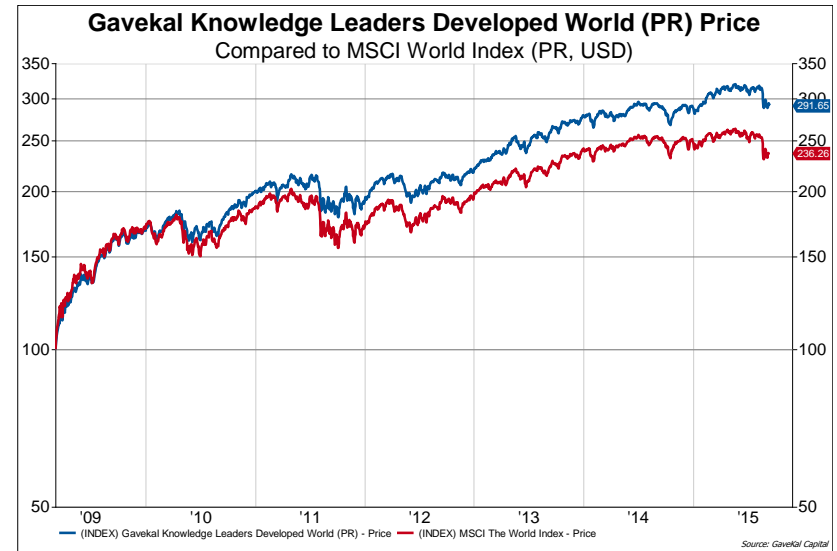
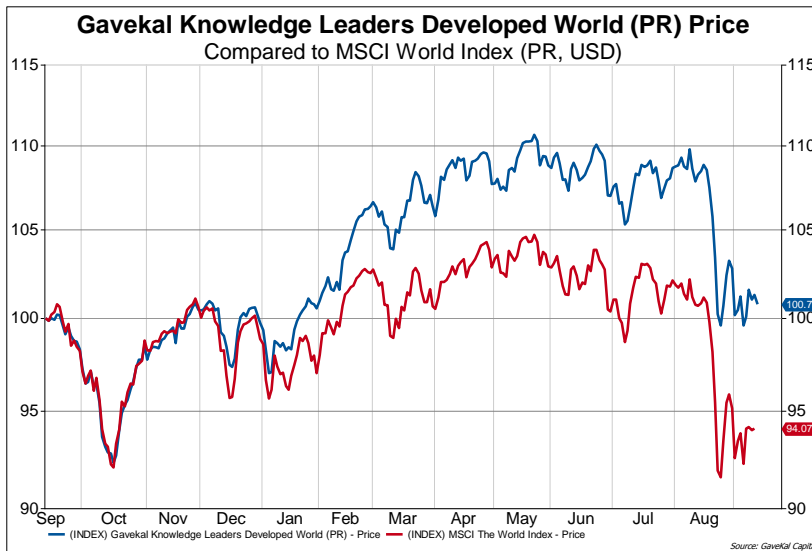
Daily Financial Markets Wrap – Equities

September 14, 2015

Gavekal Knowledge Leaders Developed World Index



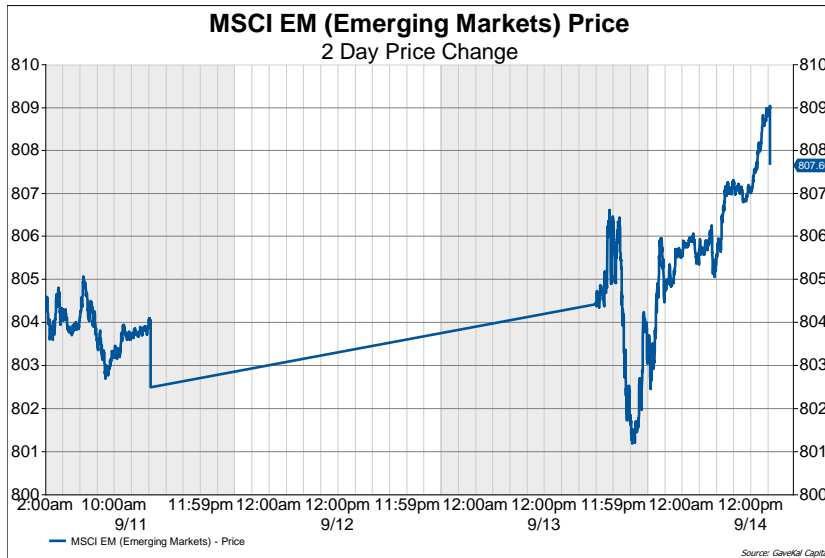
- DM Knowledge Leaders weaker on the day, and giving back a little a last week's outperformance
- Outperformance since the '09 low is almost 60%



Daily Financial Markets Wrap – Equities

September 14, 2015

MSCI EM

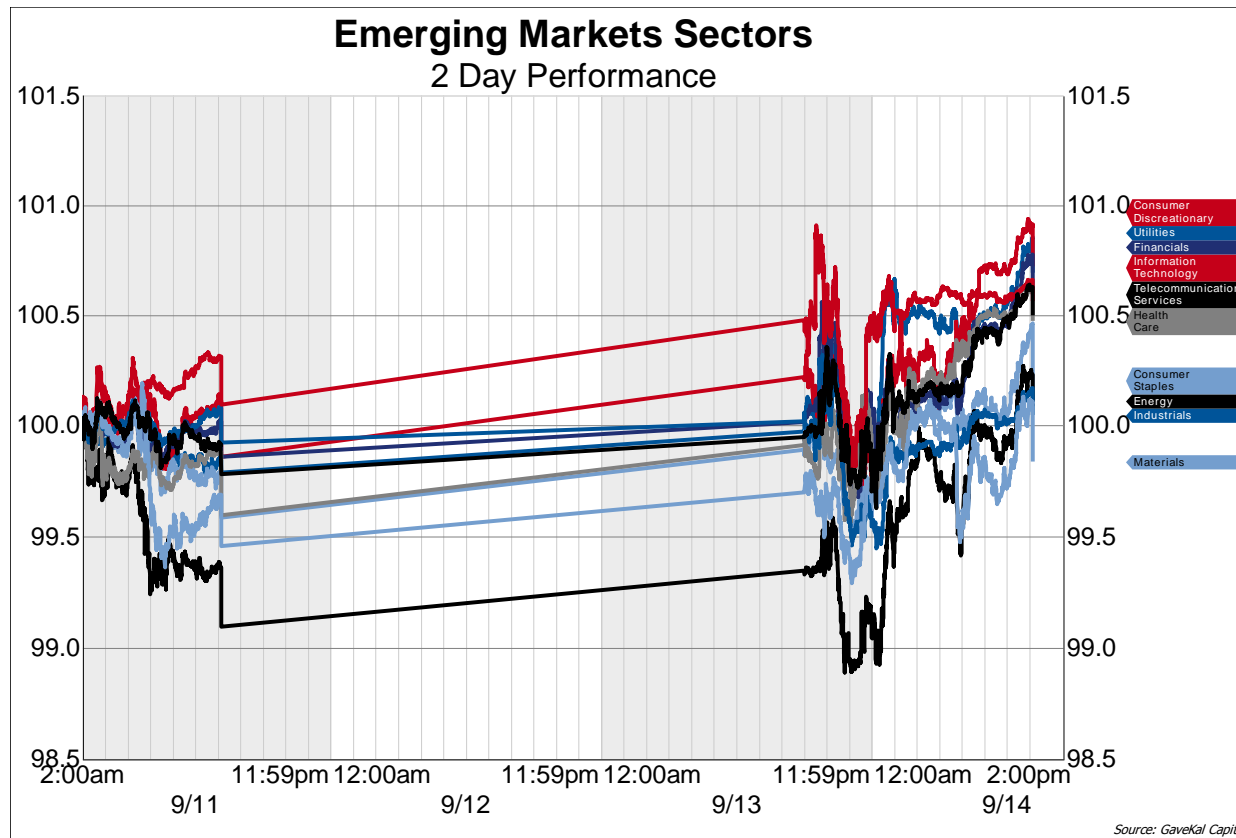


- EM stocks are trying desperately to gain their footing following the break of the important horizontal trendline from the -11 low
- So far the low made in August is holding



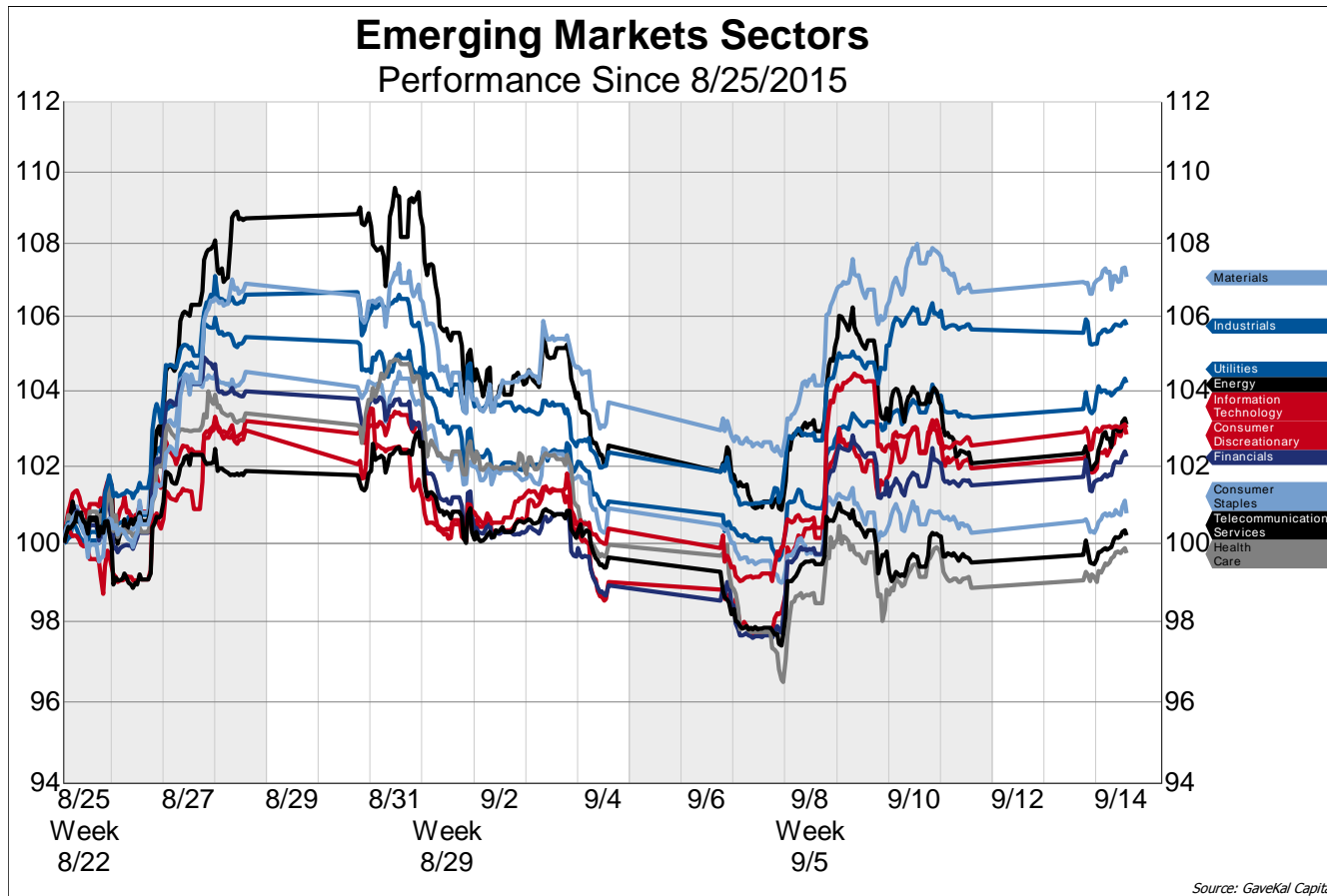
Daily Financial Markets Wrap – Equities

September 14, 2015



Daily Financial Markets Wrap – Equities

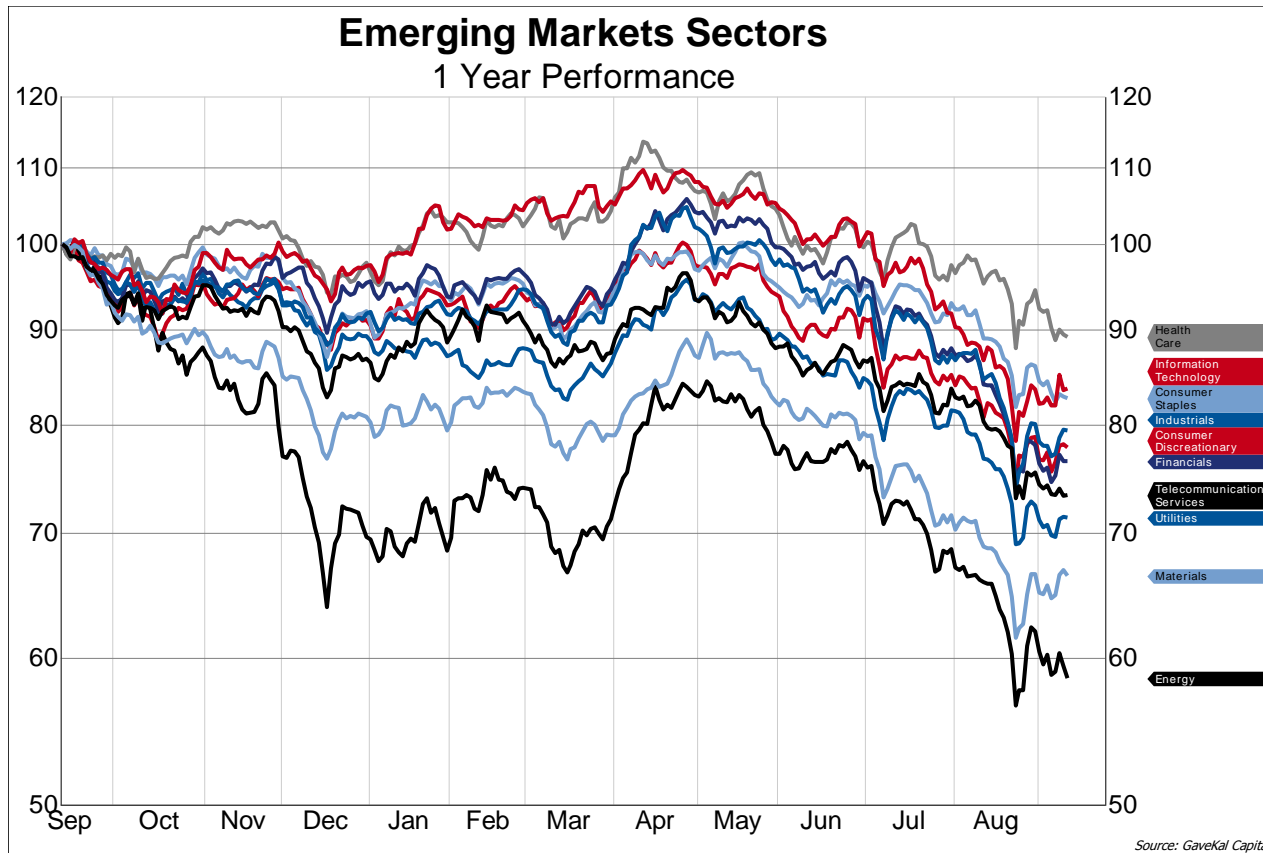
September 14, 2015



- Materials and Industrials are leading off the 8/25 lows

Daily Financial Markets Wrap – Equities

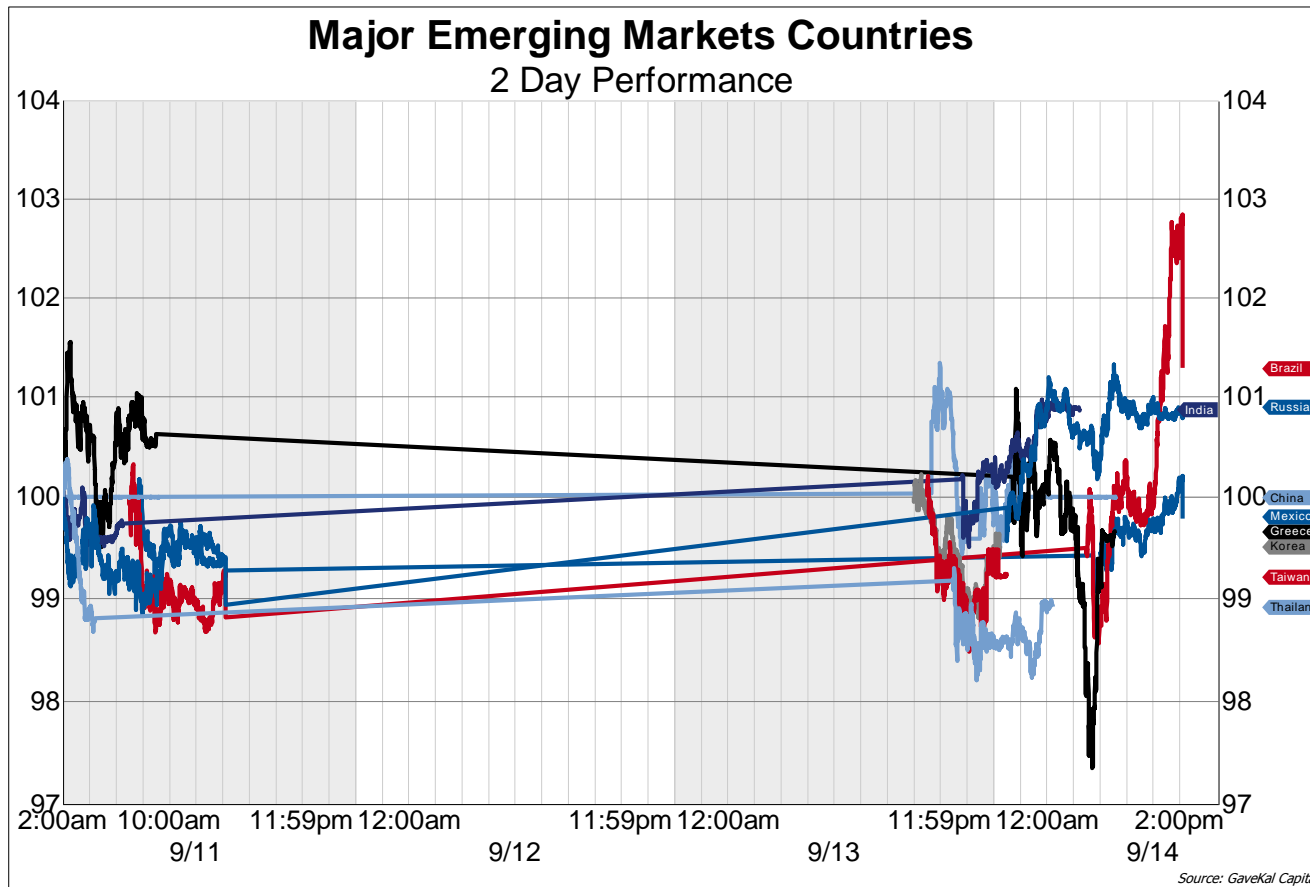
September 14, 2015



- All the sectors are negative on the year for EMs, led by commodity related areas

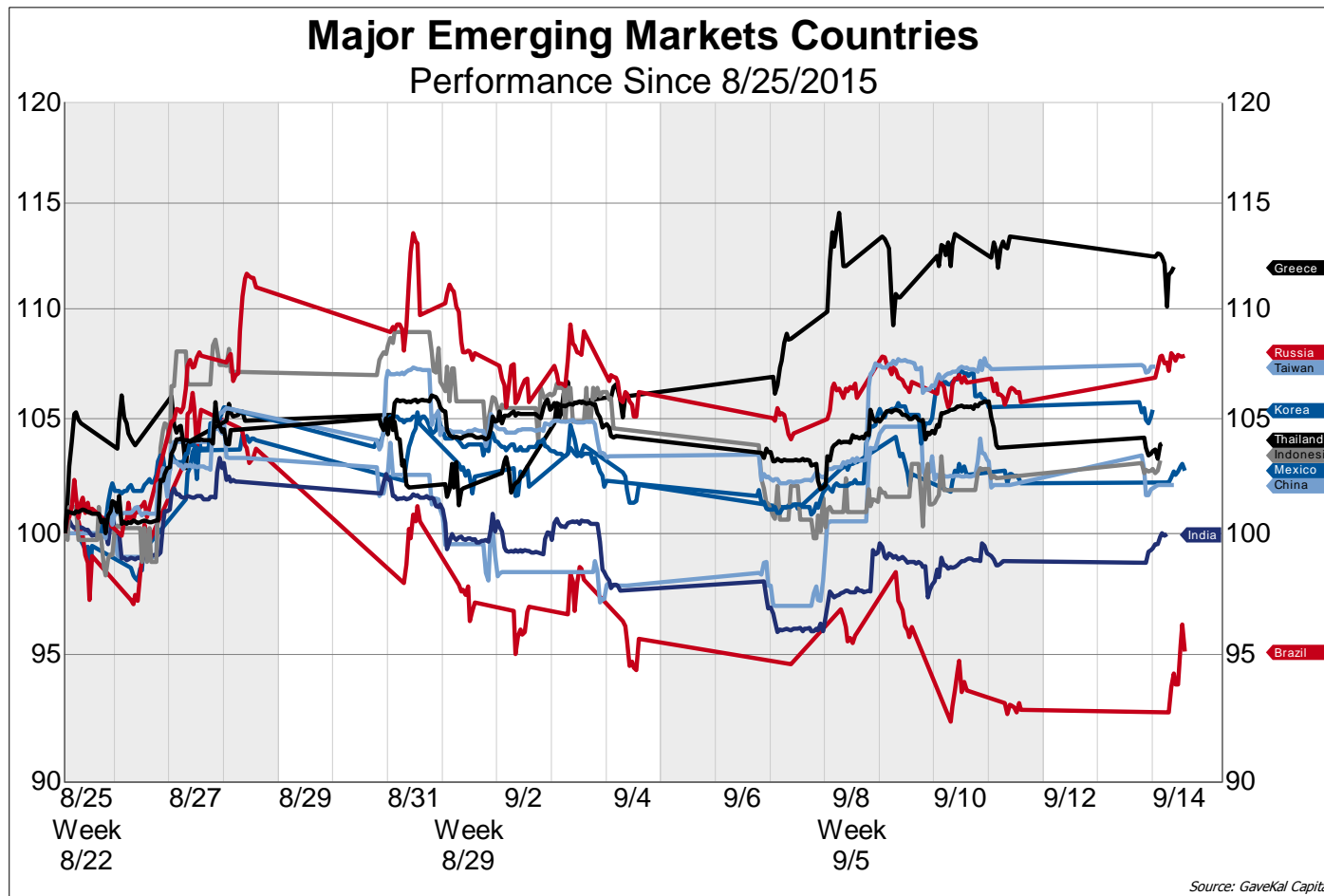
Daily Financial Markets Wrap – Equities

September 14, 2015



Daily Financial Markets Wrap – Equities

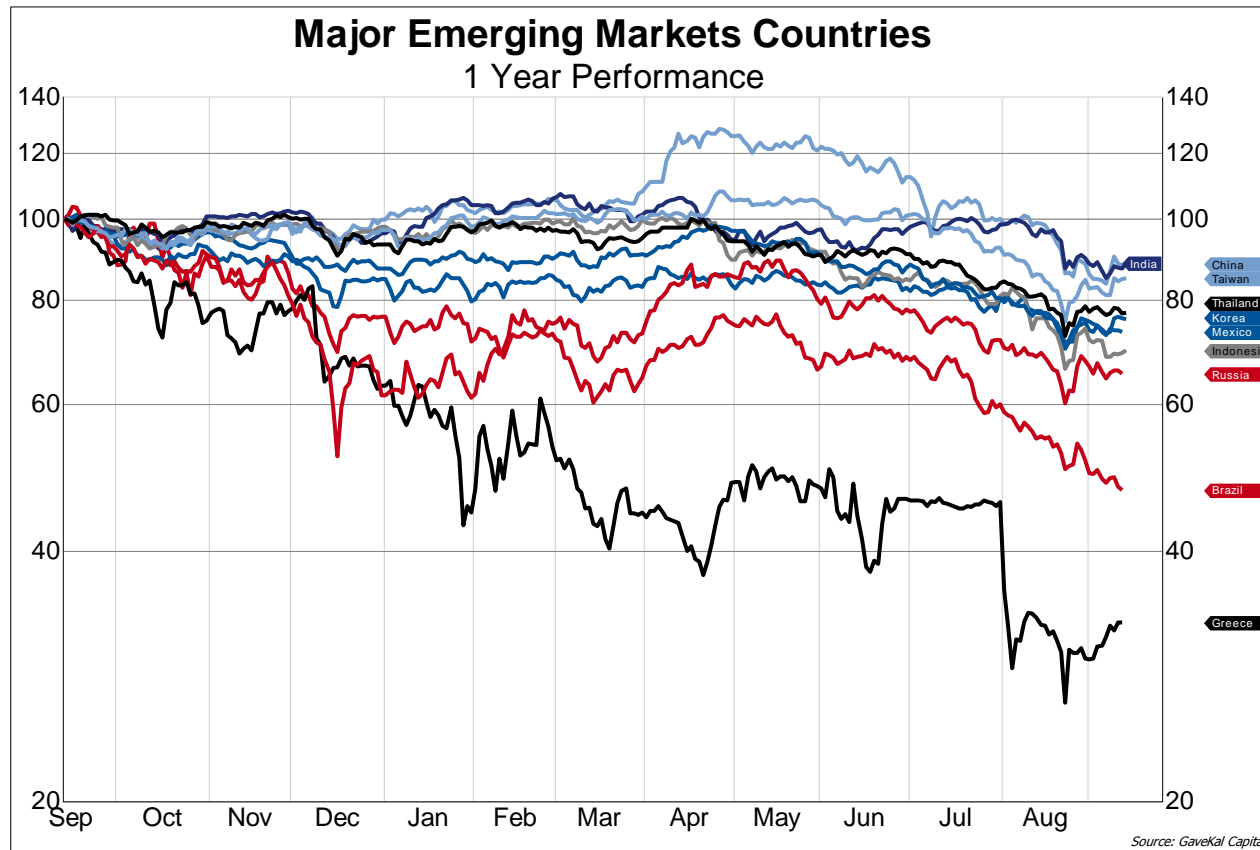
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- Brazil continues to struggle off the 8/25 lows despite the rebound in commodities

Daily Financial Markets Wrap – Equities

September 14, 2015

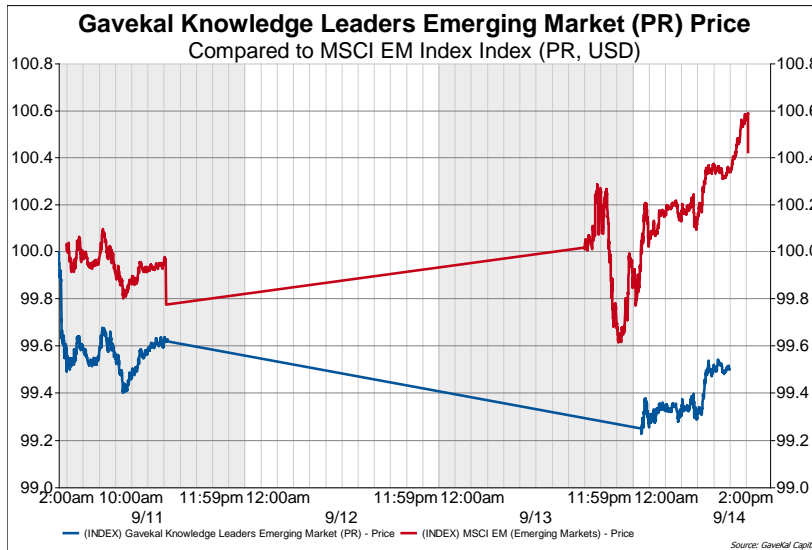


- China still leading EMs on the year despite the dramatic selloff

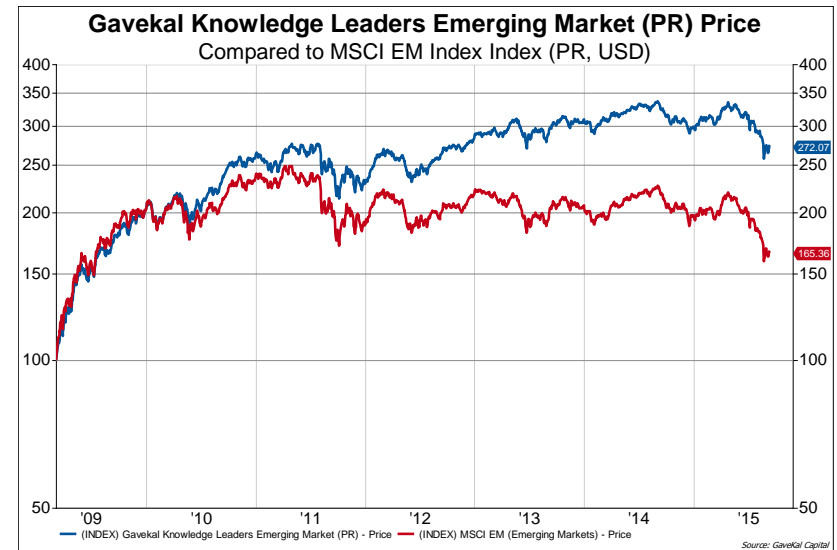
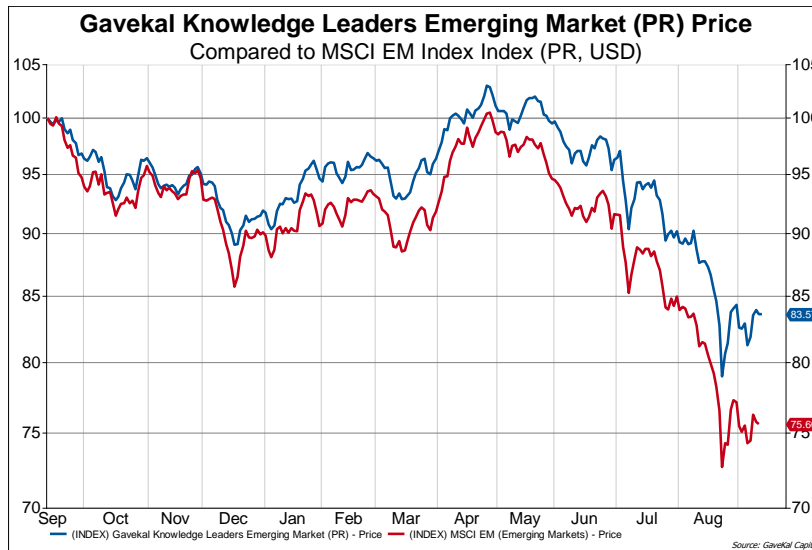
Daily Financial Markets Wrap – Equities

September 14, 2015

Gavekal Knowledge Leaders Emerging Markets Index



- EM Knowledge Leaders weaker on the day and giving back some of last week's outperformance
- Outperformance since the '09 low is about 105%

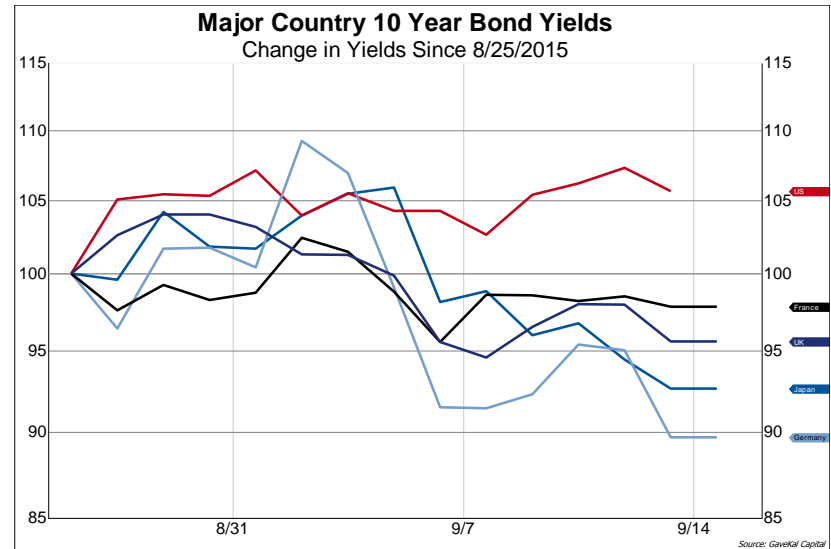
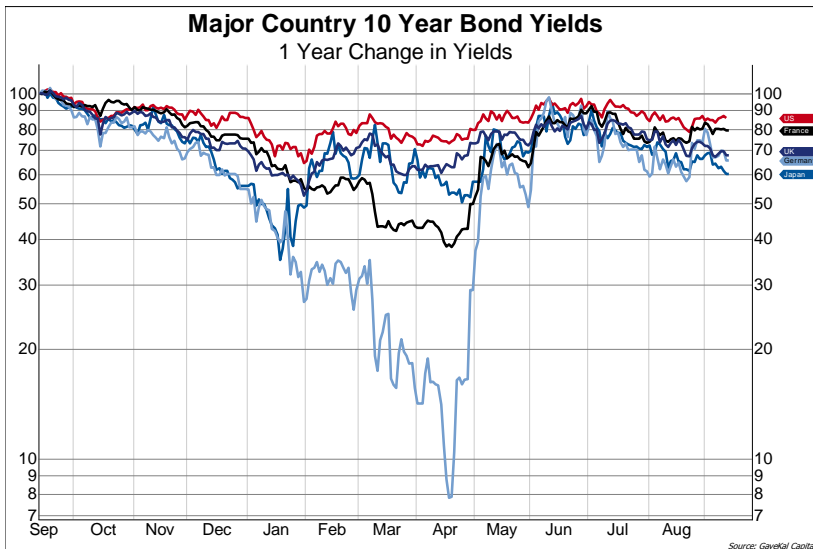
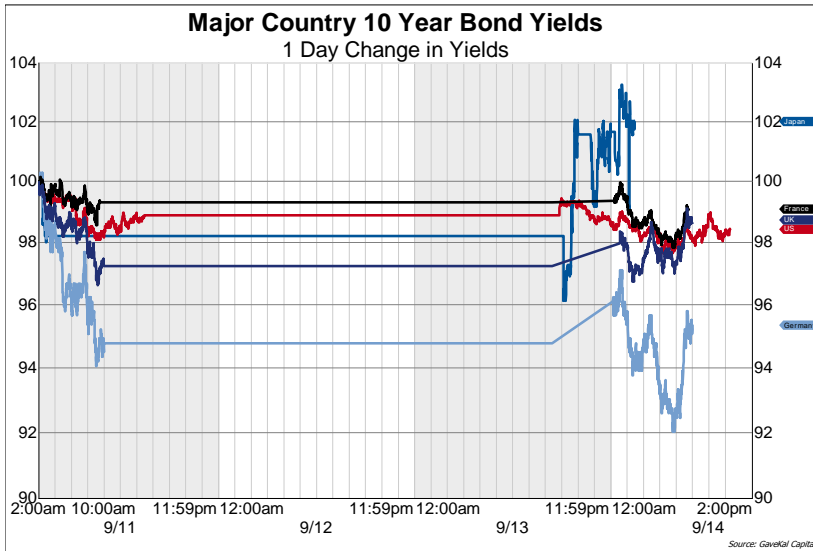


Daily Financial Markets Wrap – Fixed Income

September 14, 2015

Bonds

- Trend lower in yields not broken

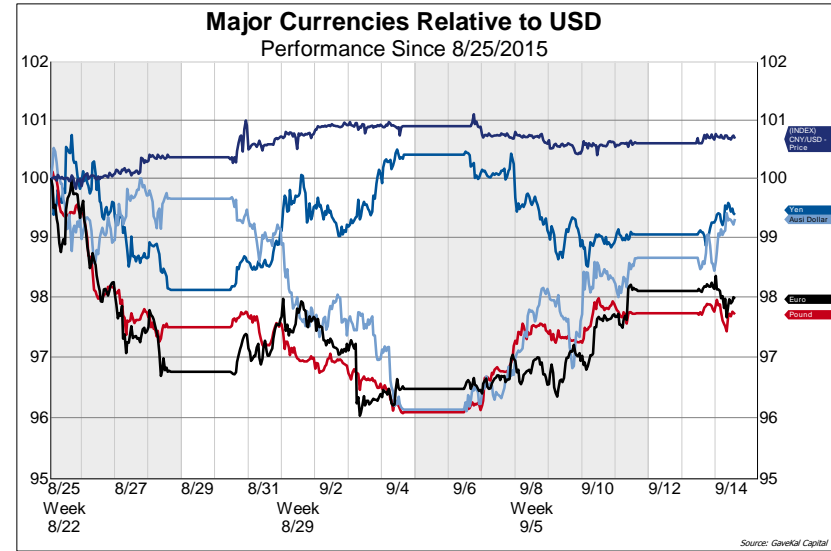
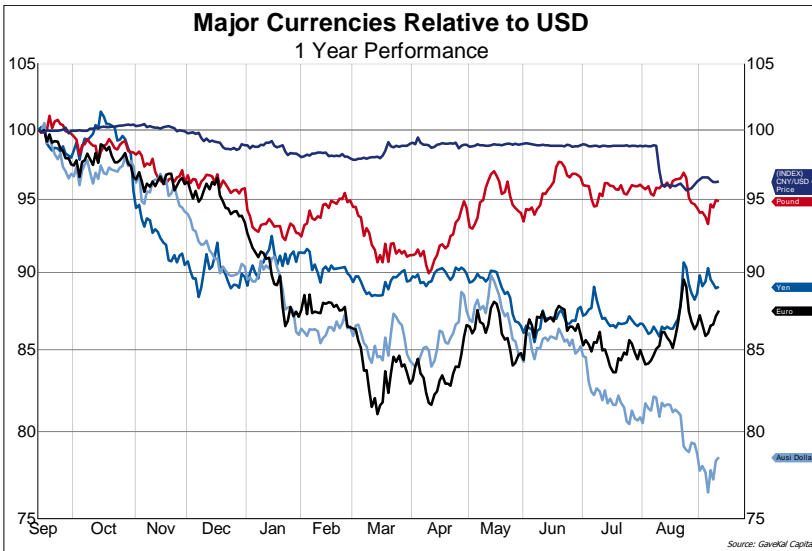
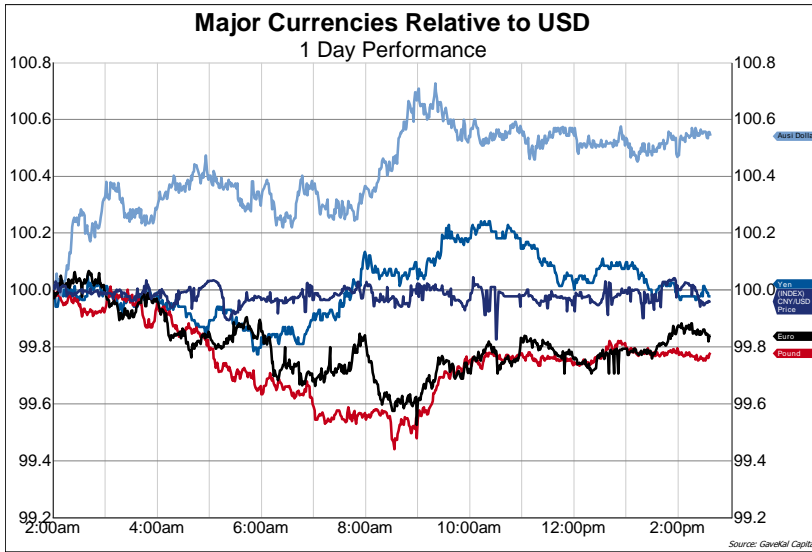


Daily Financial Markets Wrap – Foreign Exchange

September 14, 2015

Foreign Exchange

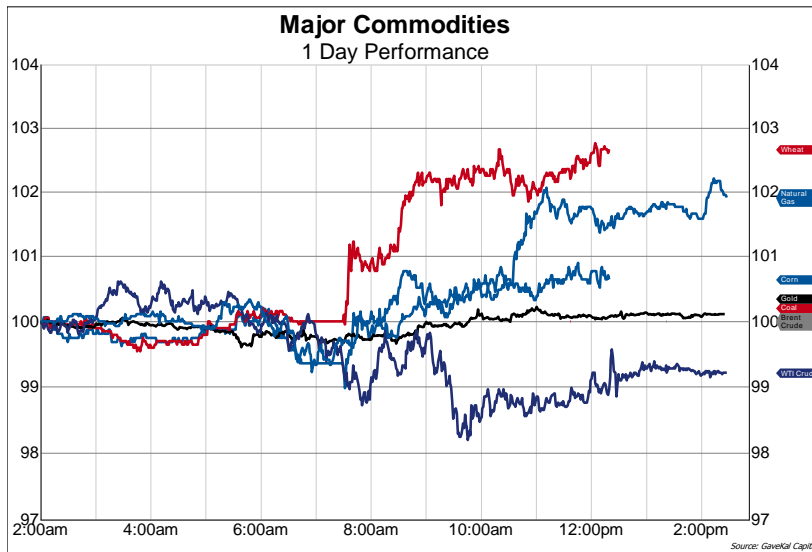
- The 1 year chart demonstrates the significant and continued weakness of most major currencies relative to the USD
- The RMB is the clear standout and the only currency to be stronger relative to the USD since the 8/25 lows



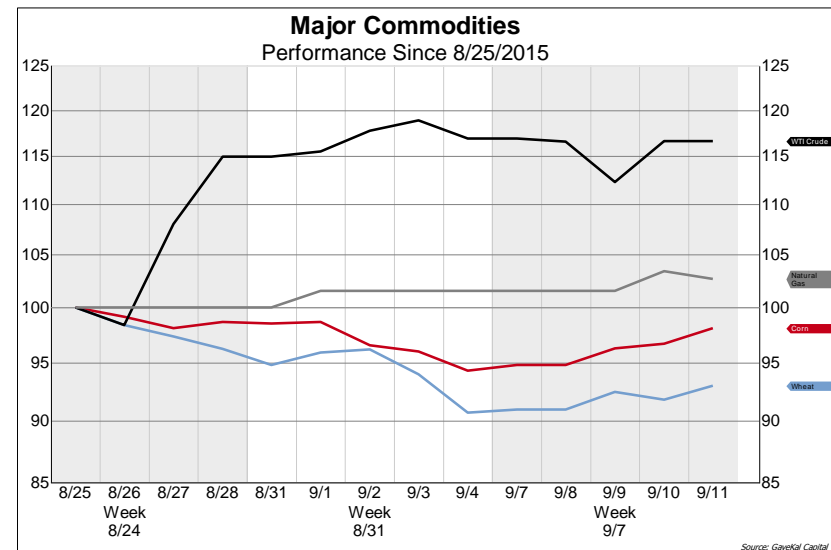
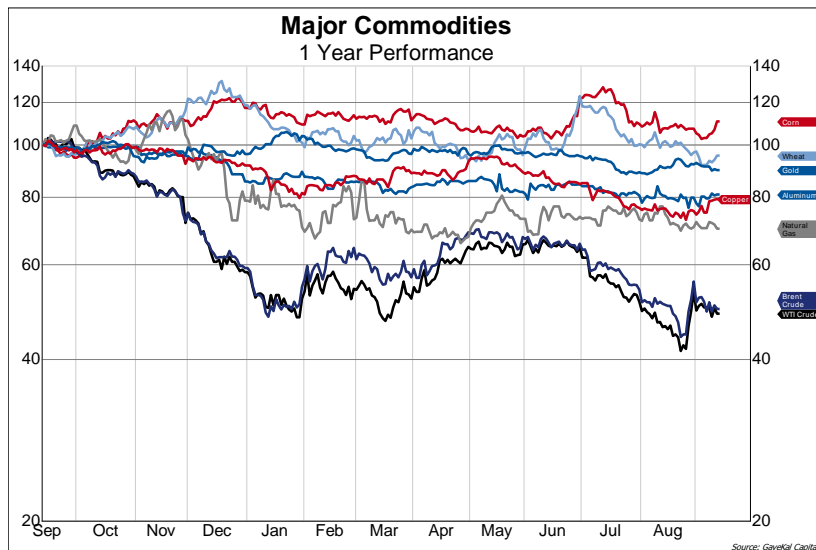
Daily Financial Markets Wrap – Commodities

September 14, 2015

Commodities



- Commodities continue to get crushed on the year
- A little more selling and all the major commodities will be under their 3.9.2009 lows
- The oil bounce from the 8/25 lows is being erased



Daily Financial Markets Wrap – Appendix

September 14, 2015

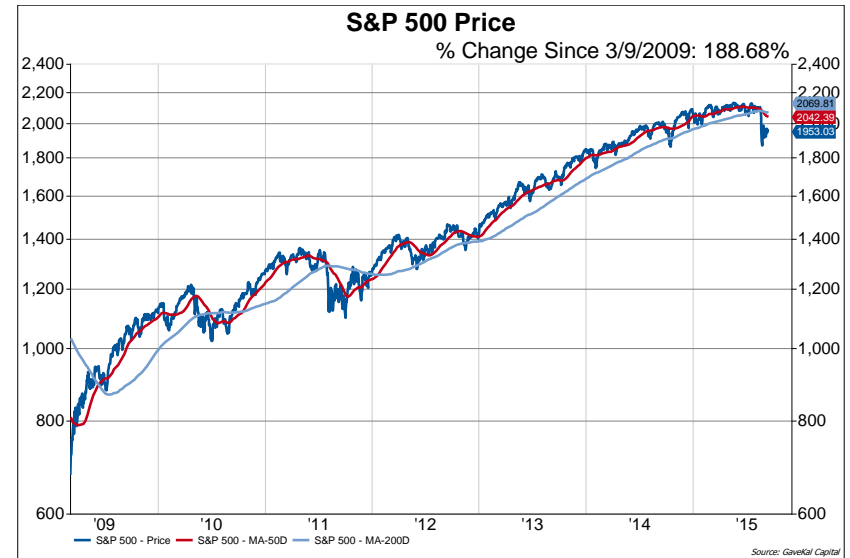
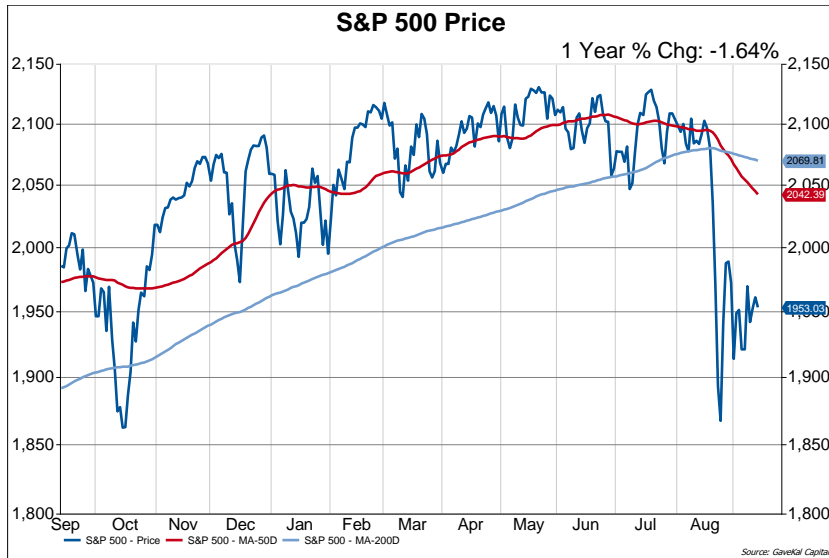
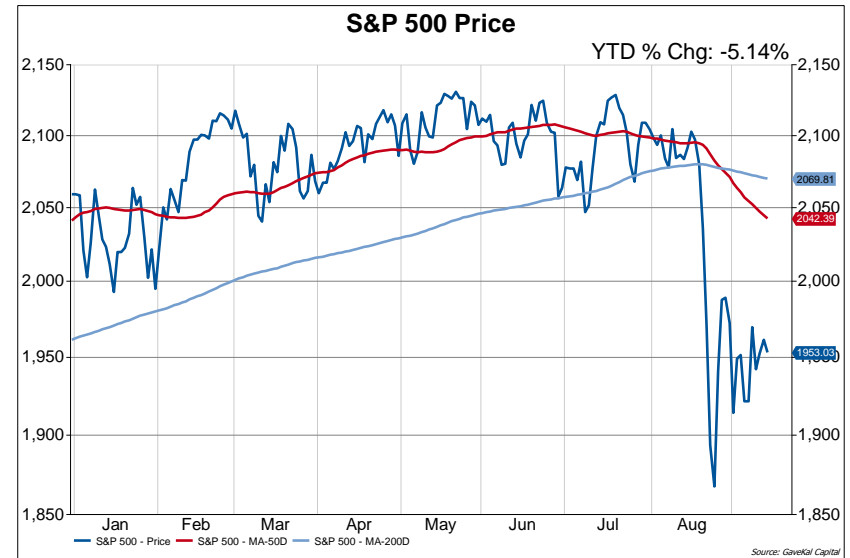
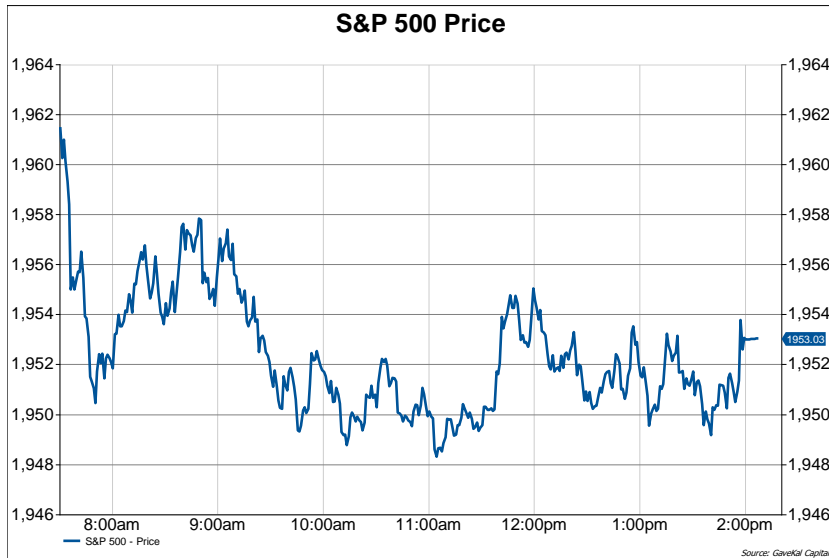
Appendix – Major Equity Markets Short and Long-term Performance Trends

S&P 500
S&P 400
S&P 600
MSCI Brazil
MSCI Mexico
MSCI Germany
MSCI France
MSCI Russia
MSCI UK
MSCI Japan
MSCI Australia
MSCI India
Shanghai Composite
MSCI Korea

Daily Financial Markets Wrap – Appendix

September 14, 2015

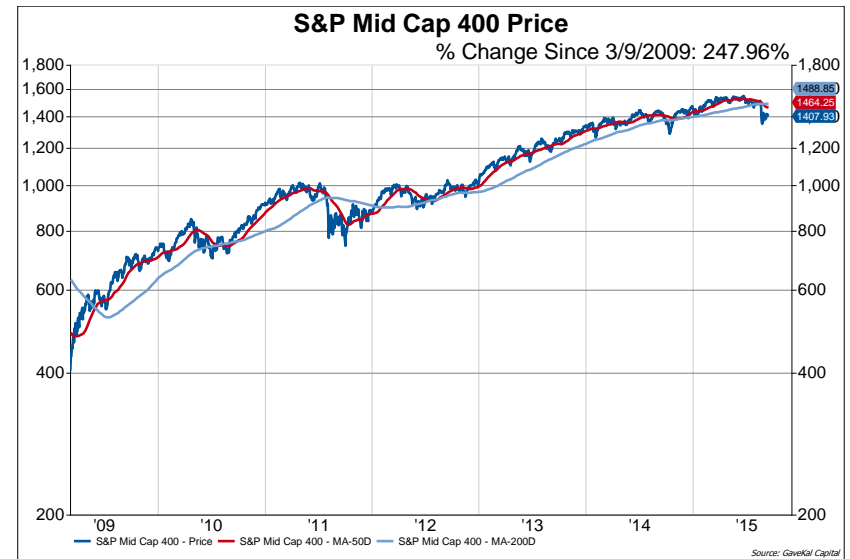
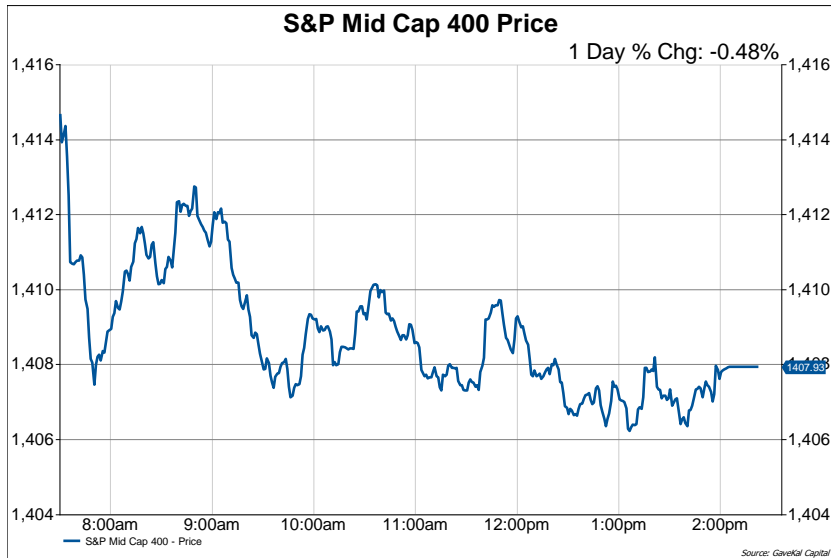
S&P 500



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September 14, 2015

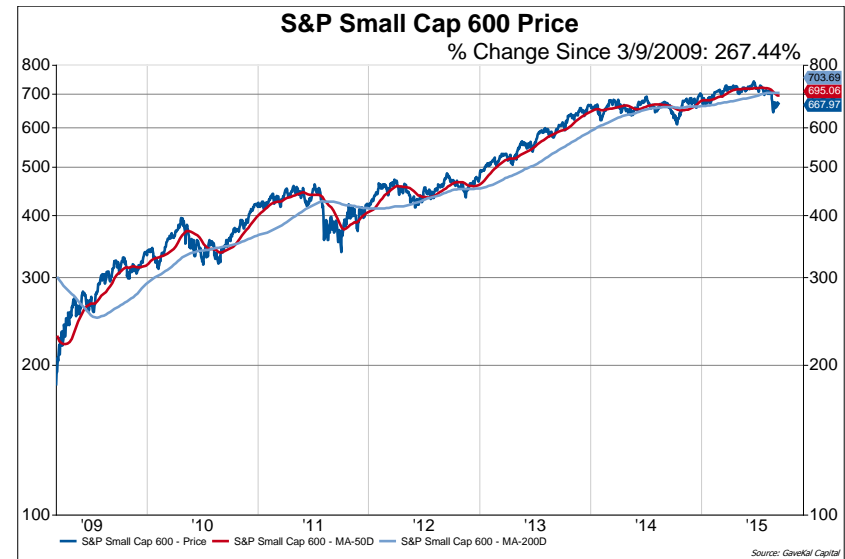
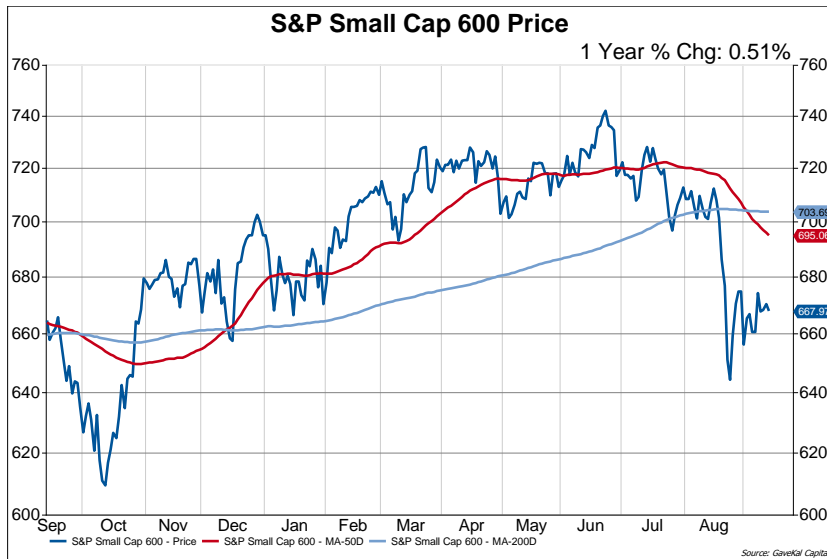
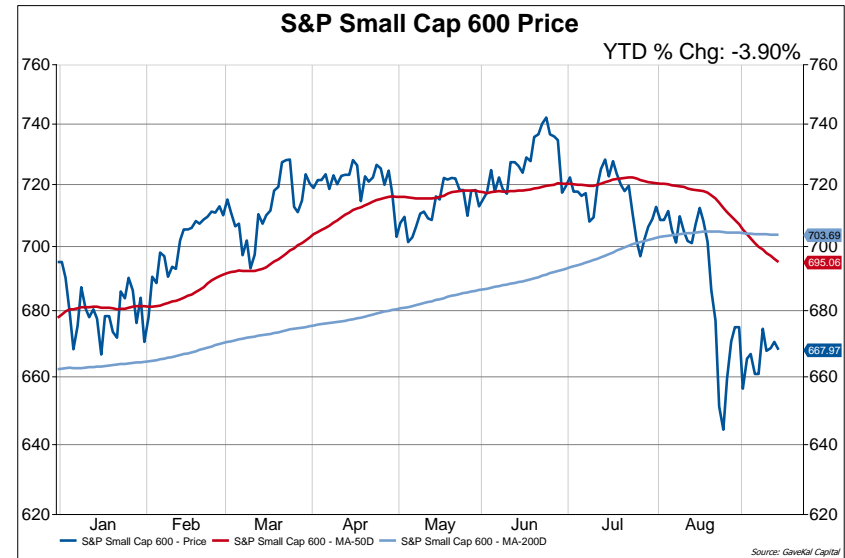
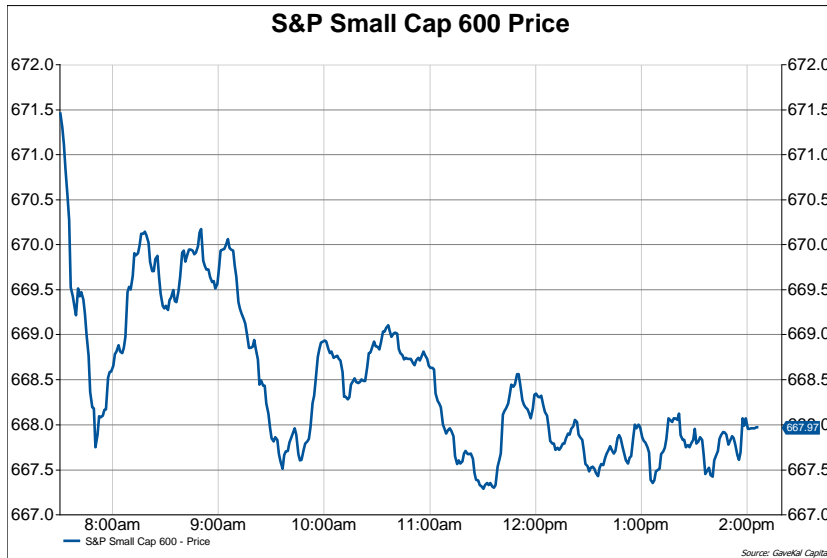
S&P 400



Daily Financial Markets Wrap – Appendix

September 14, 2015

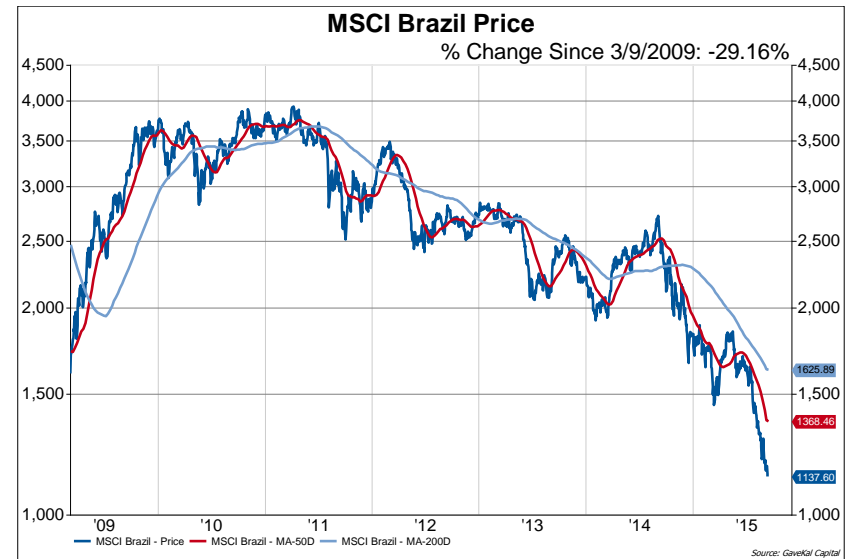
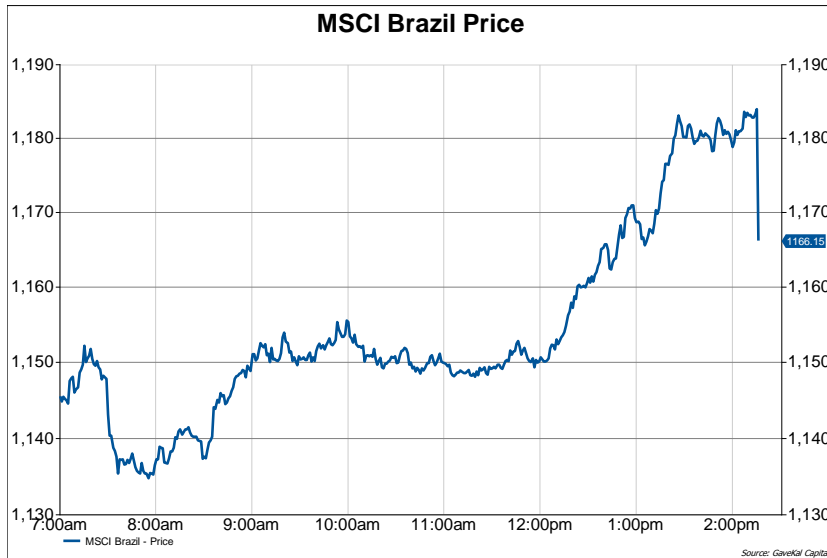
S&P 600



Daily Financial Markets Wrap – Appendix

September 14, 2015

MSCI Brazil



Daily Financial Markets Wrap – Appendix

September 14, 2015

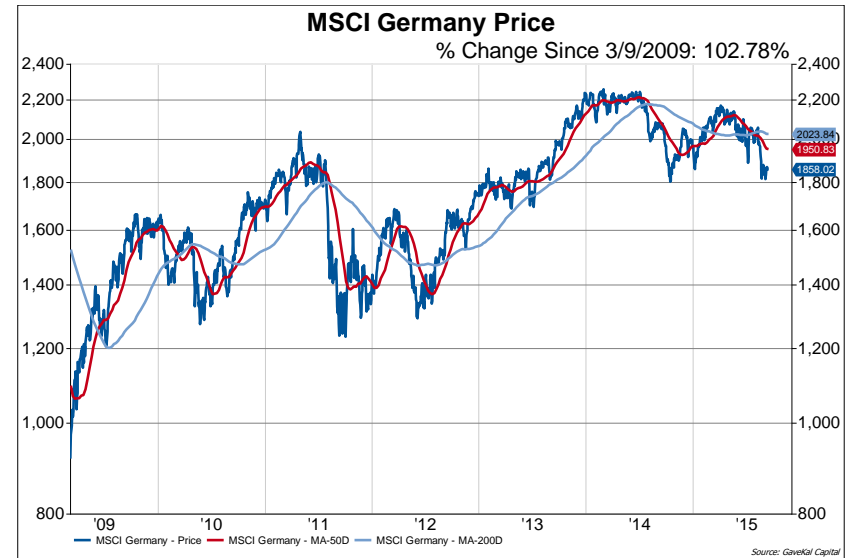
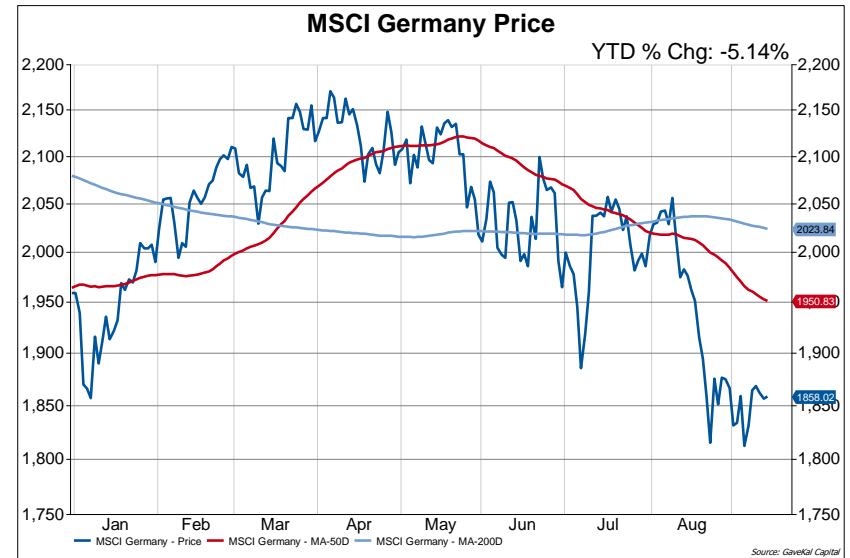
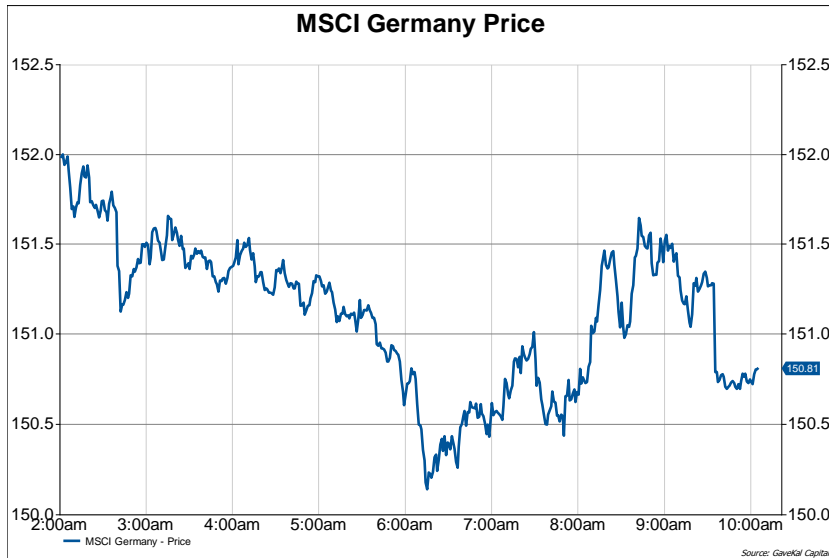
MSCI Mexico



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September 14, 2015

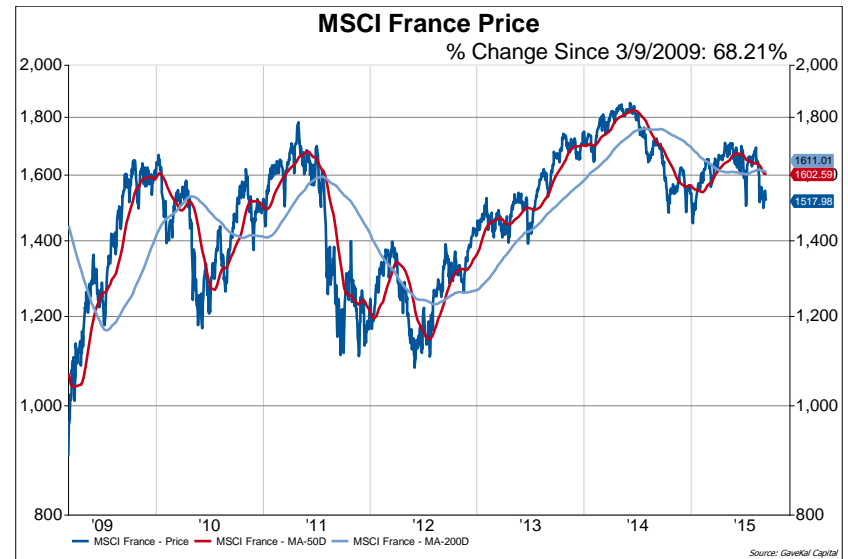
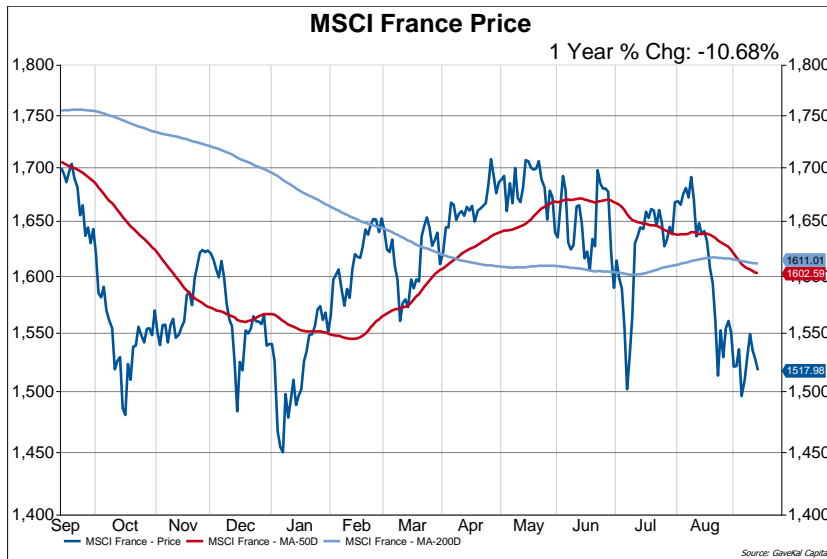
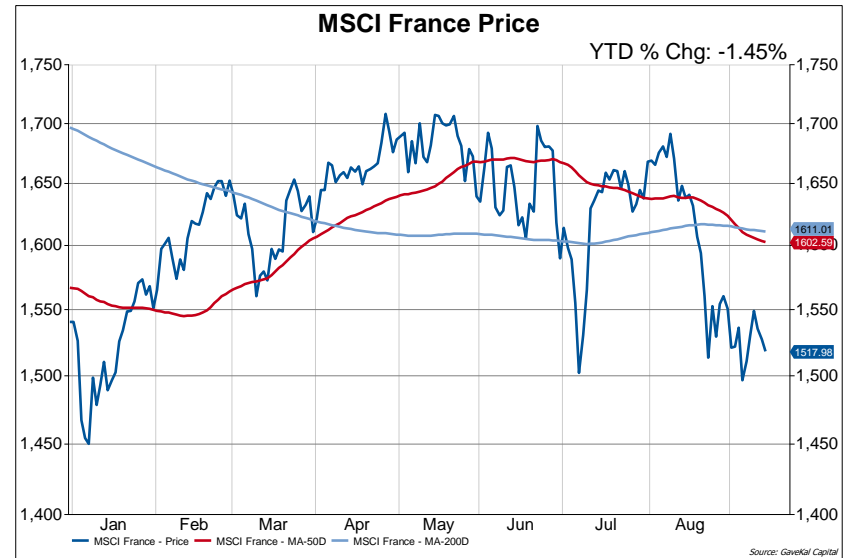
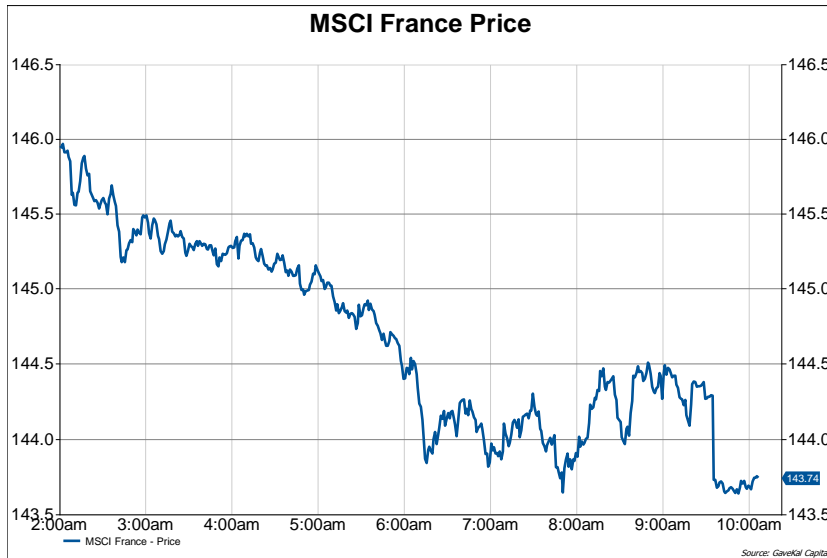
MSCI Germany



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September 14, 2015

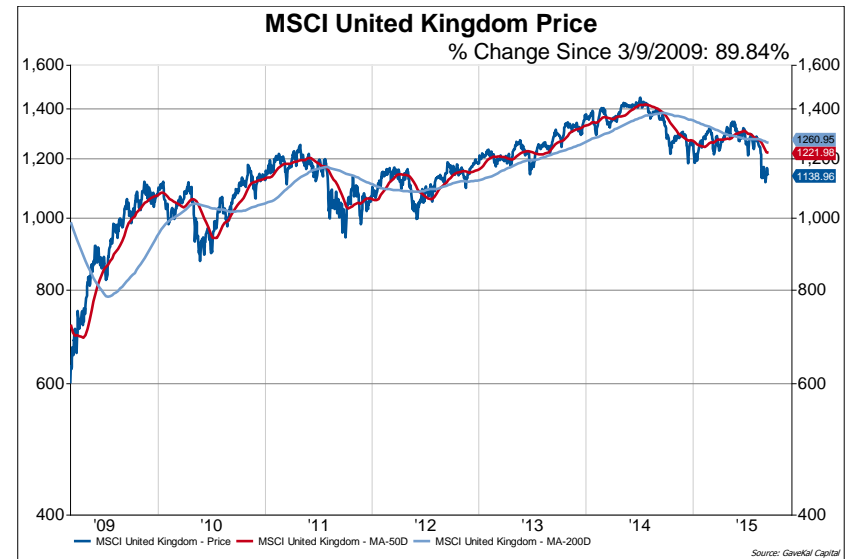
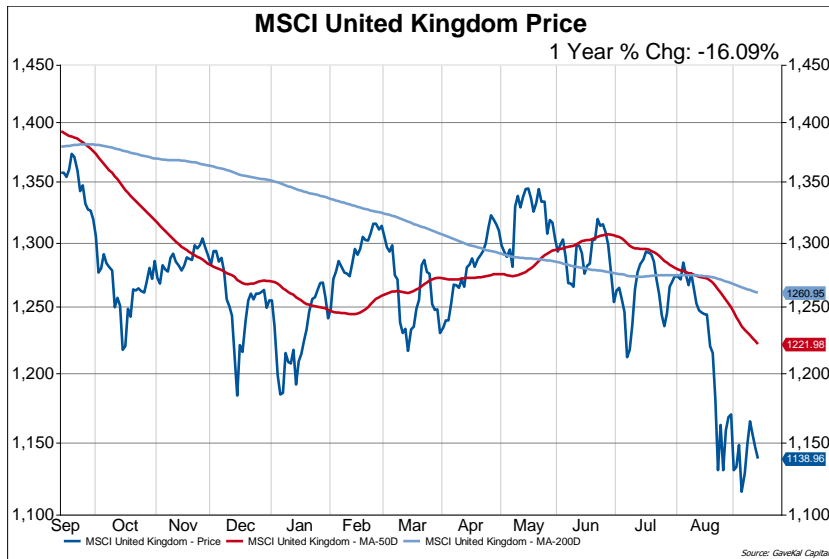
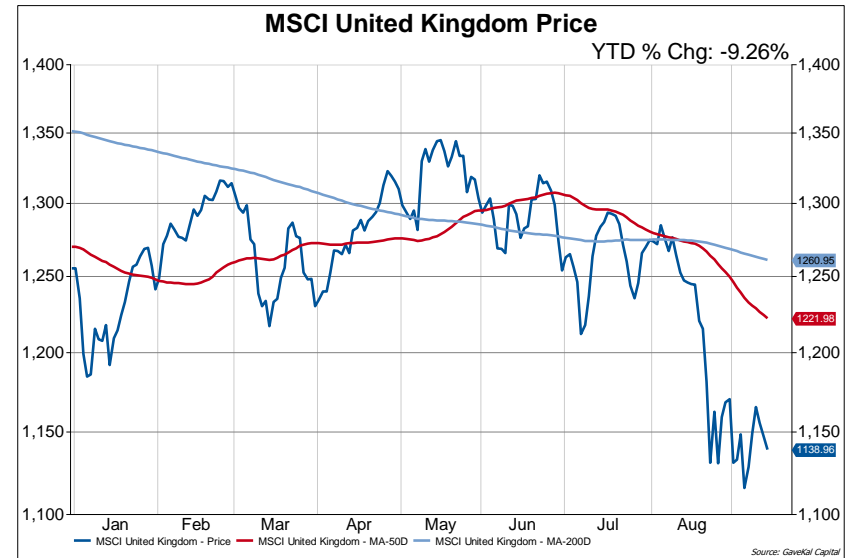
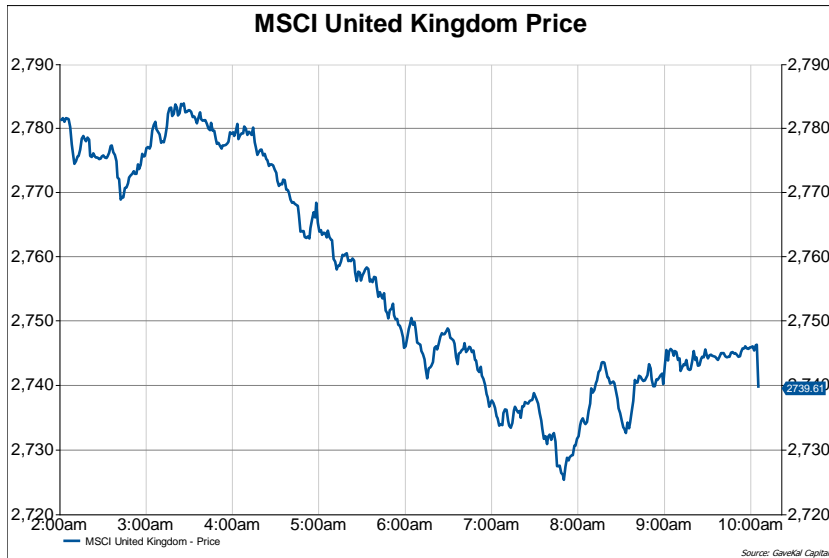
MSCI France



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MSCI UK



Daily Financial Markets Wrap – Appendix

September 14, 2015

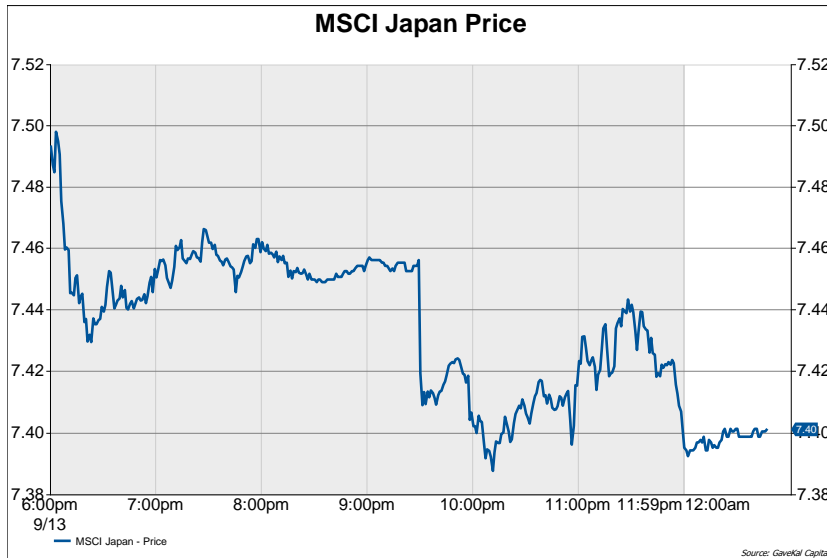
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September 14, 2015

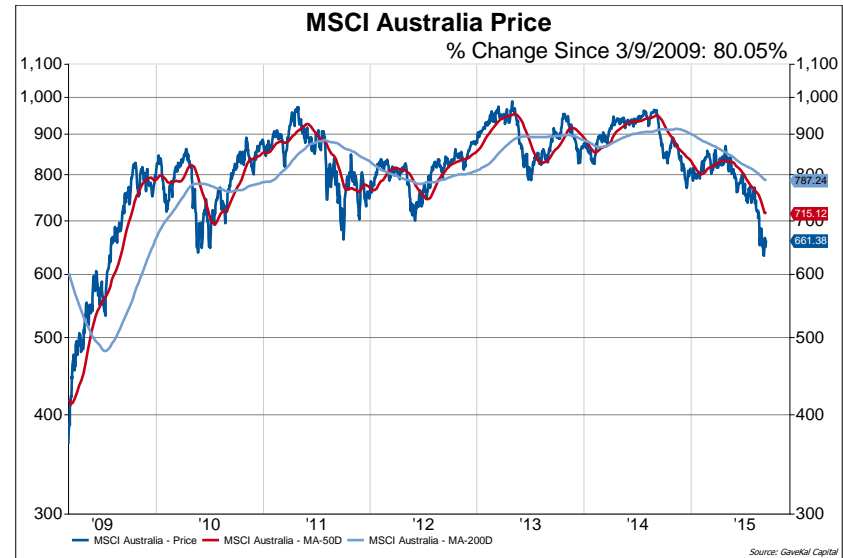
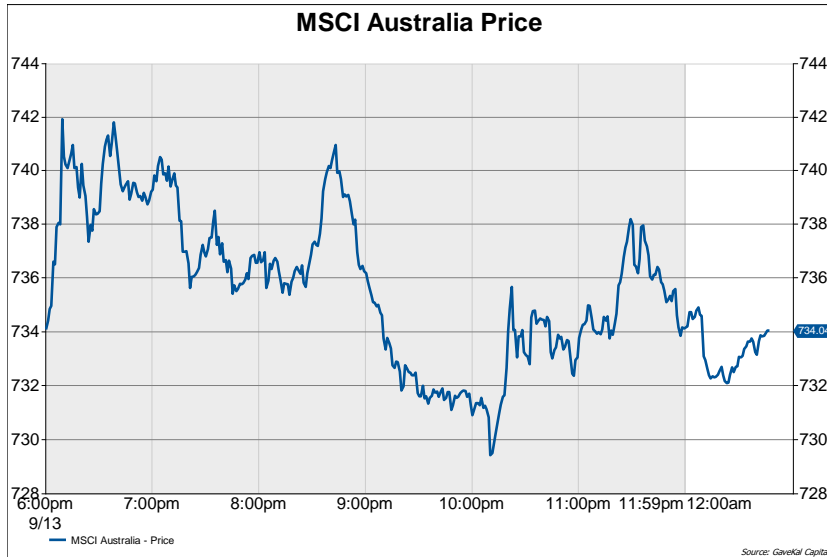
MSCI Japan



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September 14, 2015

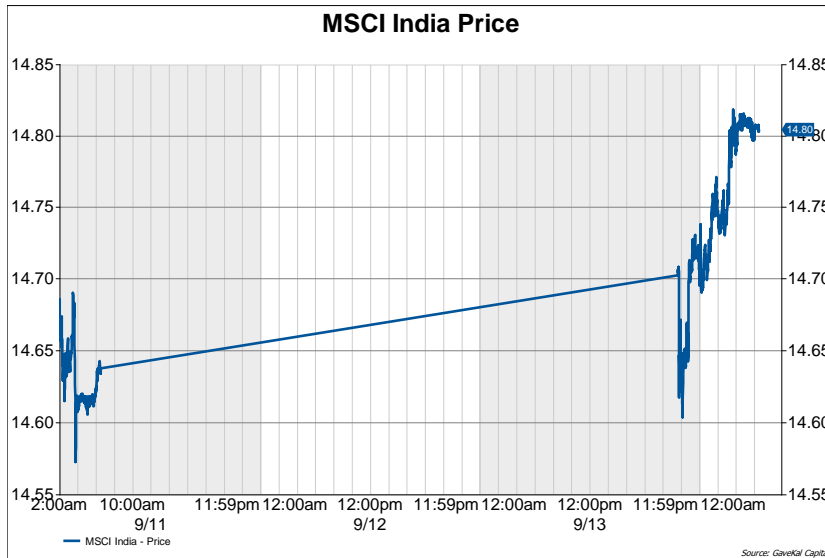
MSCI Australia



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September 14, 2015

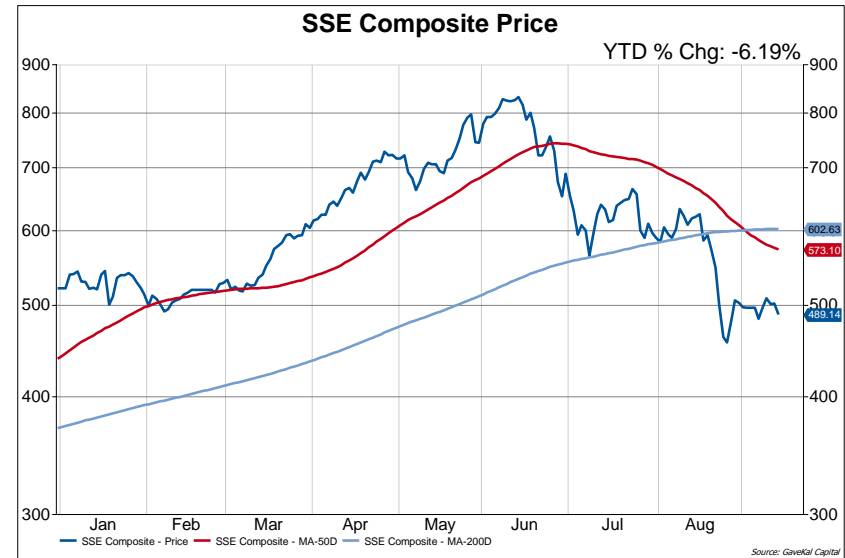
MSCI India



Daily Financial Markets Wrap – Appendix

September 14, 2015

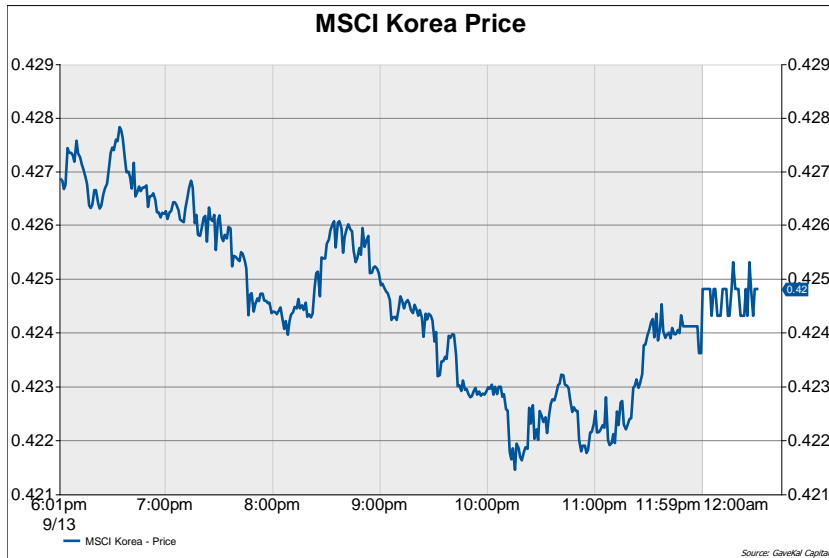
Shanghai Composite



Daily Financial Markets Wrap – Appendix

September 14, 2015

MSCI Korea



About Gavekal Capital

Gavekal Capital, LLC manages the *Knowledge Leaders* suite of investment products

For more information about our products and services please visit our website, www.gavekalcapital.com

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