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EVERGREEN INSIGHTS: A WEEKLY SNAPSHOT

SEPTEMBER 28, 2015

Top News Headlines

- Investor Concern Increases on VW Scandal & Glencore Default Concerns
- Federal Open Market Committee Voters Send Mixed Message on Interest Rates
- Pro-Independence Parties Win the Majority of Seats in Catalonia's Regional Election, but Fall Short of a Clear Mandate to Break Away from Spain

Economic News

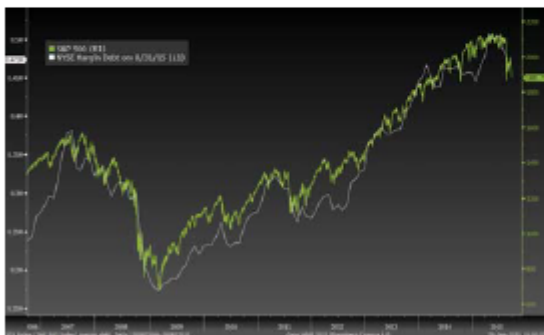
- US Q2 GDP growth revised up to 3.9% on stronger consumer spending & construction.
- US inflation, as indicated by YoY core PCE, remains weak at 1.3%, but has modestly improved over the summer months.
- France hangs on the brink of recession with 0.0% Q2 GDP growth.
- An 8.8% YoY decline in industrial profits in August and a weaker than expected September PMI of 47 stokes hard landing fears in China.
- Emerging market currencies continue to crumble as several set new lows against the dollar.

Thought of the Week

Bull markets are based on trust and confidence – both of which now seem to be evaporating at a macro and micro level in major markets around the world. In addition to China's confidence-shattering failure to save its equity market over the summer, and the confusing message coming out of a clearly-divided Fed in recent weeks, investors can now add corporate debt sustainability and compliance scandals to their list of concerns. As if the news that Volkswagen has been cheating on US air pollution tests since 2009 and may be liable for repairs and updates to roughly 11 million vehicles worldwide were not enough, this morning's sharp 30% collapse in Swiss commodity giant Glencore's stock has investors questioning not only the firm's restructuring plans, but their own due diligence efforts. Amongst the confusion, we're seeing a widening in credit spreads, a broad-based sell-off in global equity markets, and flight to safe haven assets in what we believe may be a prelude to a much deeper correction in global financial markets.

Chart of the Week

Is the US Bull Market at Risk?



Source: Bloomberg, Evergreen GaveKal

| Index Levels | Friday Close 9/25/15 | Prior Week 9/18/15 | Year End 12/31/14 | Year Ago 9/25/14 |
|--------------|-------------------------|-----------------------|----------------------|---------------------|
| S&P 500 | 1931 | 1958 | 2059 | 1966 |
| Dow Jones 30 | 16315 | 16385 | 17823 | 16946 |
| Nasdaq | 4686 | 4827 | 4736 | 4467 |
| Russell 2000 | 1123 | 1163 | 1205 | 1110 |

| Market Returns | 1 week | 1 month | YTD | 1 Year |
|-----------------------|--------|---------|--------|--------|
| S&P 500 | -1.4% | -0.3% | -4.8% | 0.3% |
| Russell 2000 | -3.5% | -0.7% | -5.9% | 2.5% |
| Barclays Agg | -0.2% | 0.4% | 0.6% | 2.5% |
| MSCI World | -2.2% | -1.2% | -4.9% | -4.0% |
| MSCI Europe | -1.6% | -0.4% | 3.7% | 4.2% |
| MSCI Japan | -0.6% | -1.8% | 3.0% | 9.0% |
| MSCI China | -3.6% | 2.7% | -10.3% | -7.1% |
| MSCI Brazil | -6.2% | -10.7% | -39.1% | -50.7% |
| MSCI Emerging Markets | -4.9% | 0.5% | -15.6% | -20.9% |

| Market Valuations | P/E Trailing | P/E Forward | P/Sales | Dividend Yield |
|-----------------------|--------------|-------------|---------|----------------|
| S&P 500 | 17.1 | 16.4 | 1.7 | 2.2 |
| Russell 2000 | 18.7 | 15.6 | 1.1 | 1.6 |
| FTSE 100 (Europe) | 21.8 | 14.9 | 1.0 | 4.3 |
| Hang Seng (Hong Kong) | 9.0 | 10.6 | 1.6 | 4.0 |

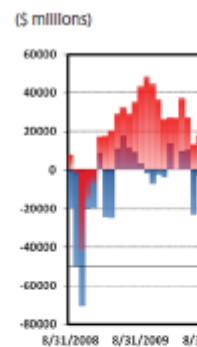
| Bond Yields | Friday Close 9/25/15 | Prior Week 9/18/15 | Year End 12/31/14 | Year Ago 9/25/14 |
|------------------|-------------------------|-----------------------|----------------------|---------------------|
| Fed Funds Target | 0.25 | 0.25 | 0.25 | 0.25 |
| 2 Year Treasury | 0.69 | 0.68 | 0.67 | 0.55 |
| 10 Year Treasury | 2.16 | 2.13 | 2.17 | 2.50 |
| Investment Grade | 3.97 | 3.91 | 3.70 | 3.62 |
| Muni Yield | 2.51 | 2.52 | 2.32 | 2.75 |
| High Yield | 7.65 | 7.30 | 6.80 | 6.13 |

| Consumer Rates | 15 Year Mortgage | 30 Year Mortgage | Consumer Confidence |
|---------------------|------------------|------------------|---------------------|
| 15 Year Mortgage | 2.96 | 3.83 | 101.54 |
| 30 Year Mortgage | 2.92 | 3.83 | 101.54 |
| Consumer Confidence | 3.09 | 3.99 | 93.06 |
| | 3.22 | 4.12 | 93.42 |

| Commodities | Gold | Silver | WTI Crude Oil | Natural Gas |
|---------------|--------|--------|---------------|-------------|
| Gold | 1146.4 | 15.1 | 45.7 | 2.6 |
| Silver | 1139.0 | 15.2 | 44.7 | 2.6 |
| WTI Crude Oil | 1184.9 | 15.7 | 53.3 | 2.9 |
| Natural Gas | 1221.5 | 17.5 | 92.5 | 4.0 |

| Currency | Dollar Index | \$ per Euro | Yen per \$ | CAD per \$ |
|--------------|--------------|-------------|------------|------------|
| Dollar Index | 96.27 | 1.120 | 120.59 | 1.334 |
| \$ per Euro | 94.86 | 1.130 | 120.00 | 1.323 |
| Yen per \$ | 90.27 | 1.210 | 119.68 | 1.162 |
| CAD per \$ | 85.20 | 1.275 | 108.75 | 1.111 |

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Market question of the week: What percent of millennials will have meaningful income during their lifetime? Center for Generational Equity

a) 35% b) 50%
 Trivia question of the week: Last night, a lunar eclipse occurred next?
 a) 2018 b) 2015

Disclosure: The specific securities identified and described do not represent all of the securities purchased, held, or sold for advisory clients, and you should not assume that investments in the securities were or will be profitable. Volkswagen and Glencore are used to illustrate well publicized examples of recent market scandals and volatility. You should not assume that an investment in any of these securities was or will be profitable. ECM does not currently hold or recommend Volkswagen or Glencore.

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Benchmark indices are provided in this material for comparison with well-known and widely recognized indices from around the world, and economic data. You cannot invest directly in an index. Index results assume the re-investment of all dividends.

The S&P 500 is a market-capitalization weighted index that includes the 500 most widely held companies chosen from the Dow Jones Industrial Average. The Industrial Average is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the NASDAQ Quotation (NASDAQ) System is a nationwide computerized quotation system for over 5,500 over-the-counter stocks traded on this system. The FTSE 100 Index is an index of the 100 largest companies (by market capitalization) in the United Kingdom. The Hang Seng Index is maintained by a subsidiary of Hang Seng Index Company Limited, the leadership of the Hong Kong exchange, and covers approximately 65% of its total market capitalization. The Hang Seng Index is on the main lines of business including commerce and industry, finance, utilities and properties.

The Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe. It is a sub-index of the Russell 3000 Index, the largest securities based on a combination of their market cap and current index membership. The Russell 1000 represents the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth rates. The Russell 2000 Index measures the performance of those Russell 1000 companies with higher book-to-price ratios, and thus a less-than-average growth orientation, than the Russell 1000 Growth Index. The Russell Midcap Index measures the performance of the 800 smallest companies in the Russell 3000 Index. The Russell Midcap Index measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth rates than the Russell Midcap Growth Index. The Russell 2000 Index measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values. The Russell 2000 Growth Index measures the performance of those Russell 2000 companies with higher book-to-price ratios, and thus a less-than-average growth orientation, than the Russell 2000 Value Index. The Russell 2000 Value Index measures the performance of those Russell 2000 companies with lower book-to-price ratios, and thus a less-than-average growth orientation, than the Russell 2000 Growth Index. The Russell 2000 Value Index is constructed to provide a comprehensive and unbiased barometer of the small-cap value market. The methodology used to determine value probability approximates the aggregate small-cap value market. The Russell 2000 Value Index is constructed to provide a comprehensive and unbiased barometer of the small-cap value market. The methodology used to determine value probability approximates the aggregate small-cap value market. The Russell 2000 Value Index is constructed to provide a comprehensive and unbiased barometer of the small-cap value market. The methodology used to determine value probability approximates the aggregate small-cap value market.

The Morgan Stanley Capital International (MSCI) World Index is a market capitalization weighted index composed of the largest market countries in North America, Europe and the Asia/Pacific Region. The MSCI Europe Index is a free float-adjusted market capitalization weighted index that measures the equity market performance of the developed markets in Europe. The MSCI Europe Index consists of the following countries: Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom. The MSCI Brazil Index is designed to measure the performance of the large and mid cap segments of the Brazilian market. The MSCI Brazil Index is designed to measure the performance of the large and mid cap segments of the Brazilian market. The volatility of these indices may be materially different from that of the representative capitalization weighted index that measures the performance of the 3,000 largest U.S. companies representing approximately 95% of the total market capitalization of the U.S. equity universe.