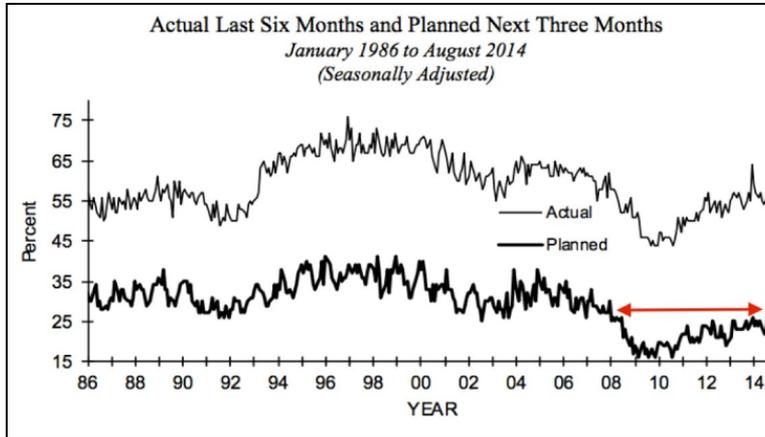


# Market Recap

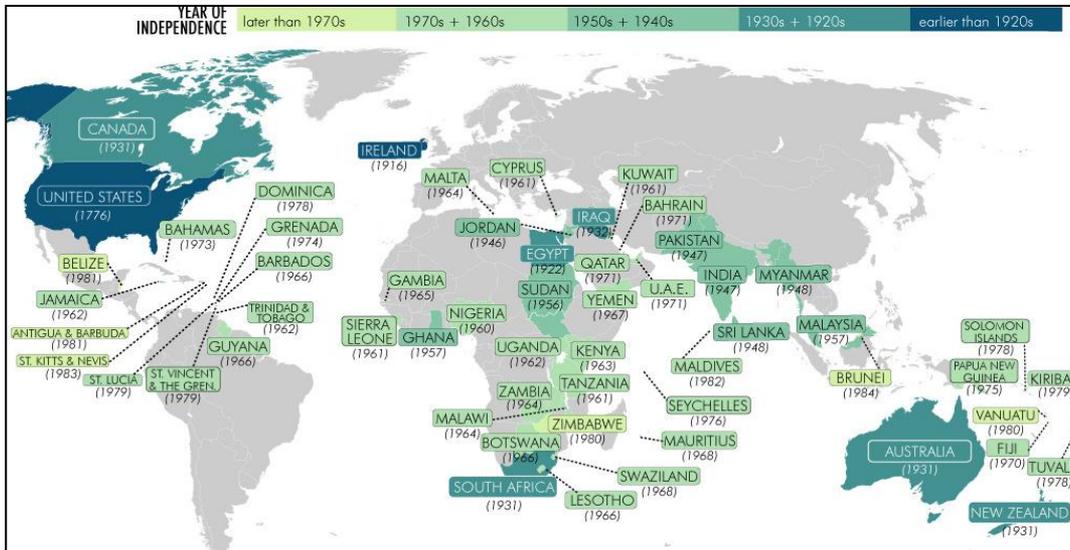
## Capital Expenditures



Source: NFIB

Since the end of the recession, business spending has often been cited as the area of the economy with the slowest pace of recovery. Recent economic data suggests that capital spending is finally back to pre-recession levels. Estimates for second quarter GDP show business investment rose 8.4%, its greatest quarterly increase since before 2008. The NFIB (National Federation of Independent Business) published its latest small business optimism index which showed that optimism rose in August to 96.1, the second-highest reading since October 2007. The report also revealed that 58% of survey respondents reported capital outlays which is up three percentage points over July and is the second-best reading since January 2008. The outlook for capital spending was even better, as the percent of owners planning capital outlays in the next three to six months rose to 27%, the best reading since December 2007.

## Independence from the United Kingdom



Source: Global Post

Approximately 55% of Scottish voters rejected yesterday's bid for independence from the United Kingdom which would have severed the 307-year union. The momentum leading up to the vote has prompted the three main British parties to promise new powers to the Scottish Parliament. The outcome is a relief for British Prime Minister David Cameron, who agreed to the referendum in a deal two years ago with Alex Salmond, the leader of the independence movement. The outcome headed off the complex and significant economic, political, and military imperponderables that would have followed the separation of Scotland from the United Kingdom. While the Scottish campaign had divided business leaders in Britain over the likely economic repercussions of independence, the outcome was welcomed by the business community and financial markets.

# Market Recap

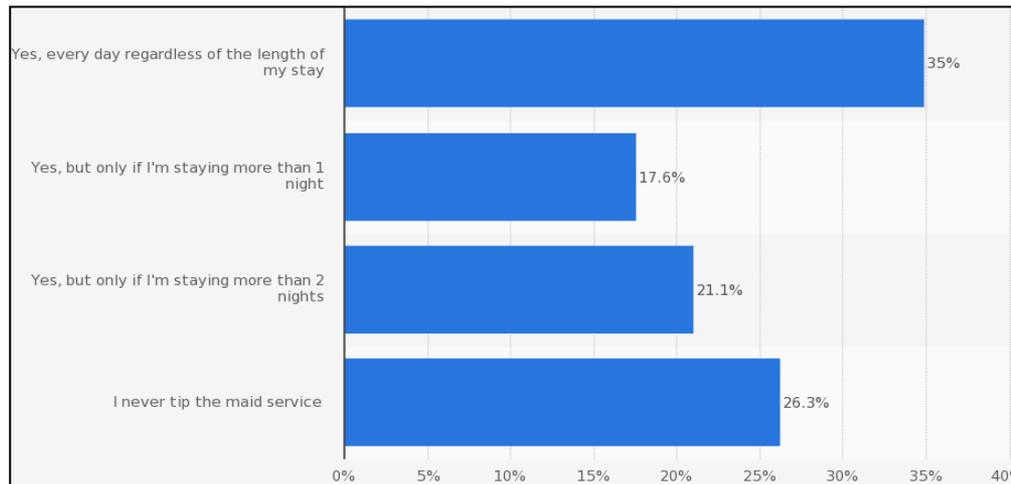
## Alibaba Business Model



Source: Alibaba IPO Prospectus

The Chinese e-commerce behemoth, Alibaba, raised \$21.8 billion in its initial public offering, making it the largest U.S. IPO of all time. Alibaba has been described as China's Amazon, eBay, and PayPal wrapped into one. Alibaba's scope is actually much broader, with business units in all segments of the e-commerce chain (from wholesale to payments to retail). Alibaba reports \$248 billion in annual sales which makes it the largest online and mobile commerce company in the world. It boasts enormous inventories across its three major retail sites: the eBay-like Taobao Marketplace, the upscale Tmall, and the Groupon-like Juhuasuan. In 2013, Alibaba's 231 million active buyers placed an average of 49 orders, for a total of 11.3 billion orders. Both the number of users and the average orders per user have continued to expand in 2014.

## When Staying at a Hotel or Resort, Do You Tip the Maid Service?



Source: Statista

Marriott has announced a program to place envelopes in hotel rooms to encourage tipping for maid service. The campaign, called 'The Envelope Please,' will be launched in 160,000 rooms in some 750 to 1,000 hotels across all Marriott brands: Courtyard, Residence Inn, J.W. Marriott, Ritz-Carlton and Renaissance hotels. The name of the person who cleans the room will be written on the envelope along with a message: "Our caring room attendants enjoyed making your stay warm and comfortable. Please feel free to leave a gratuity to express your appreciation for their efforts". Many travelers do not realize tipping hotel room attendants is customary. Research indicates that ~30% of travelers do not tip their room maid. Marriott International CEO Arne Sorenson says \$1 to \$5 per night is customary, depending on room rate, and more for a high-priced suite.

**Contact:** If you have any questions or comments, please do not hesitate to contact us at 703.992.6164. For more information about Harbour Capital Advisors, please visit our website at [www.harbourcapitaladvisors.com](http://www.harbourcapitaladvisors.com).

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