The Market Week in Review
For the Week Ending April 2, 2011

THE MARKETS

The stock market continued its upward momentum this week, as all 4 of the major indexes once again finished the week higher than where they began. However, last week the equity markets experienced some of the year's lowest daily trade volumes as many investors held back in light of the economic and political uncertainty present around the world.

Oil closed Friday at $107.94 a barrel, up 2.3% for the week and a 2 ½ year high. Gold finished the week at $1,428.10 per ounce, down slightly for the week.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	12,220.59	12,376.72	156.13	1.28%	6.90%
Nasdaq	2,743.06	2,789.60	46.54	1.70%	5.15%
S&P 500	1,313.80	1,332.41	18.61	1.42%	5.95%
Russell 2000	823.85	846.77	22.92	2.78%	8.05%

The most recent Standard & Poor's/Case-Shiller Home Price Index shows housing prices have declined on a year-on-year basis in 18 out of 20 of the housing markets surveyed. This could be a signal that the housing market is about to take another turn for the worse. "At worst, the feared double-dip recession may be materializing." said David Blitzer, chairman of the S&P Index Committee. However the news may not be quite as bad as it seems, according to an article in The Economist. "The data could include sales that may have gone under contract as early as September but have yet to complete, and since then a second dose of quantitative easing by the Federal Reserve has strengthened the outlook for the U.S. economy," the article says.

DAILY DEVELOPMENTS

MONDAY
Consumer's income from employment and other sources rose 0.3% in the U.S. in February, according to a report released Monday from the Commerce Department. Consumer spending rose even faster, by 0.7 percent, suggesting there may be growing confidence in the U.S. economic recovery. But rising gas and food prices more than offset the income gains. As a result, "real" disposable personal income declined 0.1% in February.

The National Association of Realtors reported on Monday that its pending home sales index moved higher in February following two prior months of sizable declines.

Specifically the index rose 2.1 percent to 90.8. In its report the NAR indicated that February's gain would have been higher if not for a steep decline in the Northeast which may be weather related.

TUESDAY
The Conference Board said Tuesday that its overall index of consumer attitudes fell to 63.4 in March from 72.0 in February. That was below economists' expectations for a drop to 65.0. The sharp decline can be attributed, at least in part, to Japan's devastating earthquake on March 11th, which shook global financial markets, and to political uncertainty in the Middle East and North Africa, which has led to a rise in oil prices. Inflation expectations surged to 6.7 percent from February's 5.6 percent, while the "jobs hard to get" index rose to 44.6 percent from 44.4 percent the month before, and the "jobs plentiful" index slid to 4.4 percent from 4.9 percent.

WEDNESDAY
David Sokol, the man widely seen as the leading successor to Warren Buffett to head up Berkshire Hathaway, resigned Wednesday. His resignation comes in the wake of an investigation of his purchase of shares in chemical company Lubrizol Corp (LZ) before encouraging Mr. Buffett to acquire it. It is estimated Mr. Sokol made $2.8 million on the trade. However, Mr. Buffett said the investigation had nothing to do with Mr. Sokol's resignation.

THURSDAY
Weekly jobless claims declined to a seasonally adjusted 388,000 in the week ended March 26th, the Labor Department said today. Economists had been predicting about 380,000 persons would file first time claims for unemployment benefits. And although the prior week's numbers were revised upward to 394,000 from an originally reported 382,000, the number of weekly new claims has remained near or below 400,000 since mid February. Economists generally agree that the employment picture is improving if new claims are below 4000,000.

The value of new orders for manufactured goods declined 0.1% in February, as the gain in nondurable goods orders was not enough to offset the decline in durable goods orders, the Commerce Department data revealed on Thursday. Factory new orders were expected to rise 0.5% in February. Durable goods orders were revised up to a 0.6% decline for the month from the original 0.9% drop reported earlier. Nondurable goods orders rose 0.3% in February.

FRIDAY
The Labor Department reported on Friday that the number of persons employed in the U.S. grew by 216,000 in March. This follows a revised increase of 194,000 in February and a 68,000 improvement in January. The March bested the consensus forecast for a 200,000 increase. On average the private sector has added 188,000 jobs in the first three months of 2011, and 1.8 million jobs since the recovery began. March was the 12th consecutive

month of private sector job growth. The report also included cause for concern. Only 64.2 percent of adults are either in the work force or looking for a job. That is the lowest labor participation rate in a quarter century. And, long-term unemployment is only a tenth of a point below its all time high. In addition, the Brookings Institution reported on Friday that real wages have fallen 1.1 percent in the last year.

QUOTE OF THE WEEK

> *"Today's employment report marks the second consecutive month of strong payroll growth and the fourth straight month of falling unemployment -- if we continue to see reports like this, the Fed could tighten as early as Q1 2012."*
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> Neil Dutta, an economist at Bank of America Merrill Lynch in New York.

I hope you have found the information in this week's market summary helpful. If you would like to comment on any of the information found in this week's Market Commentary please e-mail me at awillms@estatecounselors.com. If you would like to discuss how current market conditions could impact your investments, please feel free to call me at the number listed below.

Best regards,

Andy

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