The Market Week in Review
For the Week Ending December 17, 2011

THE MARKETS

The U.S. stock exchange market lost ground this week as investors continued to worry about the possible ramifications of the Eurozone debt crisis for America's economy. The S&P 500 is back in the red for the year, and if it remains there, it will be only the third time in over 80 years that the S&P 500 declined in the third year of the presidential cycle. The other two instances occurred during the Great Depression. On the other hand, U.S. government debt rallied as yields on the 10-year note fell below 1.9%.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	12,184.26	11,866.39	-317.87	-2.61%	2.50%
Nasdaq	2,646.85	2,555.33	-91.52	-3.46%	-3.68%
S&P 500	1,255.19	1,219.66	-35.53	-2.83%	-3.02%
Russell 2000	745.40	722.05	-23.35	-3.13%	-7.86%

DAILY DEVELOPMENTS

MONDAY
There were no major economic announcements on Monday.

TUESDAY
The Commerce Department reported on Tuesday that retail sales rose a mere 0.2% in November. Economists projected a 0.6 percent November increase, according to the median forecast in a Bloomberg News survey. The strongest component was for electronics and appliance stores which jumped 2.1 percent in November. Sales rose 0.5 percent at automobile dealers, after a 0.8 percent increase the prior month, the report showed. Nonetheless, the National Retail Federation announced it now expects holiday sales to rise 3.8 percent to a record $469.1 billion. That is up from the group's October forecast, which called for growth of 2.8 percent. The new forecast is still lower than the 5.2 percent growth seen last year, but is above the 10 year average increase of 2.6 percent.

Also on Tuesday, an announcement was issued indicating that its members had decided by a 9-1 vote to retain the current policy rate range of 0.0 to 0.25 percent, and once again indicated that the policy rate will remain exceptionally low likely through mid-2013. In the minutes for the Federal Reserve policymakers said Tuesday that the U.S. economy is "expanding moderately" and declined to take any new measures to try to strengthen growth, electing to leave the central bank's low interest rate policies in place. In effect, the central bank concluded that the economy - on track to post its strongest growth in the final months of 2011 more so than in any previous quarter this year - is muddling along well enough.

WEDNESDAY
There were no major economic announcements on Wednesday.

THURSDAY
Approximately 366,000 people filed initial jobless claims in the week ended December 10th, the Labor Department said Thursday. That was a decrease of 19,000 from the prior week, and far better than the bigger influx of claims that economists were expecting. It also represents the lowest number of new filers since last May, and could be a signal that the job market is finally improving. Continuing claims rose 4,000 to 3.603 million, but the four week average is down 5,000 to 3.666 million.

In a separate report also issued on Thursday the U.S. Labor Department said its producer price index rose 0.3% in November after falling 0.3% in October. Excluding the increase in food and energy prices, the core producer price index climbed 0.1% in November after coming in unchanged in October.

FRIDAY
On Friday, the Labor Department reported that the consumer price index in November was unchanged after declining 0.1 percent in October. November's number was below market expectations for a 0.1 percent rise. Excluding food and energy, the CPI increased 0.2 percent after a 0.1 percent advance in October. Analysts had been expecting a 0.1 percent increase. More specifically, energy fell 1.6 percent after declining 2.0 percent in October, while gasoline fell 2.4 percent, following a 3.1 percent drop in October. Food prices were up 0.1 percent after rising 0.1 percent the prior month. The indexes for shelter, medical care, apparel, and personal care all rose slightly.

TIDBITS

> According to a recent report in *The New York Times*, the top three banks in the U.S. control 44% of all bank assets. The top 20 banks control 92% of bank assets.

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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