The Market Week in Review
For the Week Ending June 18, 2011

THE MARKETS

Good news regarding the debt crisis on Friday resulted in the equity markets finishing the week in the black (if just barely) for the first time in 7 weeks. But bearish signals for the market abound, including in equity-only put-call ratios, according to Larry McMillan, president of McMillan Analysis Corp. in Morristown, New Jersey. Economic data released during the week was mixed, with the index of leading economic indicators rising more than forecast in May to a record high, but U.S. consumer sentiment for June was weaker than expected.

Oil futures headed lower, finishing the week at $93 a barrel. Gold ended the week at just under $1,540 an ounce.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	11,951.91	12,004.36	52.45	0.44%	3.69%
Nasdaq	2,643.73	2,616.48	-27.25	-1.03%	-1.37%
S&P 500	1,270.98	1,271.50	0.52	0.04%	1.10%
Russell 2000	779.54	781.75	2.21	0.28%	-0.24%

DAILY DEVELOPMENTS

MONDAY
There were no major economic announcements on Monday.

TUESDAY

The Producer Price Index for finished goods rose 0.2 percent in May on a seasonally adjusted basis, the U.S. Bureau of Labor Statistics reported on Tuesday. The increase follows increases of 0.8 percent in April and 0.7 percent in March. On an unadjusted basis, prices for finished goods moved up 7.3 percent for the 12 months ended May 2011, the largest year-over-year gain since an 8.8-percent advance in September 2008.

Also on Tuesday, the Commerce Department announced that retail sales for May slipped 0.2%. The decline was a reversal of the 0.3 percent increase in April, and it was the first monthly decline after 10 consecutive gains. However, the news was viewed favorably by Wall Street because a 0.7% slide had been expected among economists polled by Briefing.com. Excluding autos, retail sales actually increased by 0.3%, which is greater than the 0.2% increase that had been forecasted.

WEDNESDAY

The Department of Labor announced on Wednesday that the Consumer Price Index (CPI-U) increased 0.2% in May, compared with 0.4 percent in April. The monthly rise in the CPI was the lowest since November, when the index was up 0.1 percent, but was higher than Wall Street's advance estimate of 0.1%. Core CPI, which excludes the historically volatile food and energy sectors, was 0.3%, as compared to the consensus advanced estimate of 0.1%.

THURSDAY

There was finally a bit of good news regarding the housing sector on Thursday as the Commerce Department indicated that construction of homes and apartments increased 3.5% from a month earlier. Newly issued building permits, a gauge of future construction, rose 8.7% from a month earlier to an annual rate of 612,000, the highest level since December. Construction of single-family homes, which made up about two-thirds of all starts, rose by 3.7% from a month earlier. Construction of multifamily homes with at least five units climbed 2.9% on a monthly basis.

There was also a hint of improvement on the labor front as the Labor Department said that new claims for unemployment insurance by U.S. workers fell by 16,000 to 414,000, down the previous week's revised estimate of 430,000. Economists were predicting there would be approximately 420,000 new claims. And although the previous week's figures were upwardly revised somewhat from the initially reported level of 427,000, the four-week moving average of new claims, a figure that removes some of the weekly volatility in the data was unchanged from the previous week's revised average at 424,750. Initial unemployment claims have remained above the 400,000 level for the past 10 weeks, according to Labor Department figures.

FRIDAY

The preliminary reading of the Reuters/University of Michigan Consumer Sentiment survey was released on Friday. It showed the index falling in June to 71.8, which was much lower than the median expectations of 74.5. It also was a much worse reading than May's final reading of 74.3, but higher than the index's 69.8 reading in April and the March reading of 67.5.

QUOTE FOR THE WEEK

> *"Despite improving global and euro area economic and financial conditions, the overall outlook for financial stability has remained very challenging in the euro area."*
>
> European Central Bank in its semi-annual Financial Stability Review

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 email 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

Andrew J. Willms, J.D. LL.M.
Estate Counselors, LLC
414 N. Main Street
Thiensville, WI 53092
Phone (262) 238-6996
Fax (262) 238-6999
awillms@estatecounselors.com
www.estatecounselors.com