

The Market Week in Review

For the Week Ending March 26, 2011

THE MARKETS

It was a good week for the stock market as concerns about the earthquake in Japan, instability in the Middle East and a worsening European debt crisis were offset by positive data about the U.S. economic recovery, strong earnings reports and merger and acquisition activity. Treasury Secretary Timothy Geithner on Friday said he was not concerned the disaster in Japan would hurt the U.S. recovery. Also, several Fed officials on Friday described the economy as being on firmer footing and said the U.S. central bank was unlikely to extend its \$600 billion government bond buying program when it ends in June.

The price of oil finished the week higher, closing at \$105.56 a barrel, or an increase of about 4%. Gold prices ended the week up 0.7% at \$1,429.90 per ounce.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	11,858.52	12,220.59	362.07	3.05%	5.55%
Nasdaq	2,643.67	2,743.06	99.39	3.76%	3.40%
S&P 500	1,279.21	1,313.80	34.59	2.70%	4.47%
Russell 2000	794.66	823.85	29.19	3.67%	5.13%

The Congressional Budget Office said the U.S. budget deficit during the next 10 years will be \$2.3 trillion more than a White House estimate. The CBO said tax revenue during that period will be less than President Barack Obama's projection, with the agency using a less optimistic economic scenario.

DAILY DEVELOPMENTS

MONDAY

The National Association of Realtors said on Monday sales of existing homes fell 9.6 percent last month to an annual rate of 4.88 million units. The decline in sales was the largest since July, and broke a three month string of sales increases. The decline was much worse than what economists on average had been predicting. The Realtors' group suggested that tight credit conditions and low home appraisals contributed to the sales decline.

TUESDAY

There were no major economic announcements on Tuesday.

WEDNESDAY

The Commerce Department reported on Wednesday that new home sales (defined as the number of newly constructed homes with a committed sale during the month) fell 16.9 percent in February to an annual rate of just 250,000. A rate of 290,000 was expected. The government estimates that 19,000 new single-family homes were sold during the month. That is the lowest figure for any month since the figures began to be compiled in 1963. All regions show declines. Also, the median sales price for a new home sold last month was \$202,100, down 13.9% from a month earlier.

The price of West Texas Intermediate Crude for May delivery climbed to \$105.75 per barrel Wednesday on the New York Mercantile Exchange, the highest close since September 26, 2008. The surge came after an Energy Information Administration report suggested that U.S. motorists aren't reducing gasoline purchases in response to higher prices.

THURSDAY

Thursday was another one of those good news, bad news kind of days. The good news was a report released by the Labor Department, which indicated that the number of people filing for initial unemployment benefits declined by 5,000 in February, bringing the seasonally adjusted number to 382,000. Better still, the average number of unemployed workers seeking initial unemployment benefits over the last four weeks fell to its lowest level since July 2008.

The bad news was contained in data released by the Commerce Department. It indicated that orders for long lasting (i.e. "durable") U.S. manufactured goods fell by .09% in February as companies scaled back investment plans for a second month in a row. Non-defense capital goods orders excluding aircraft, fell 1.3 percent in February after a 6.0 percent drop the prior month, the Commerce Department said. Economists had expected this indicator to rise 4.5 percent last month.

FRIDAY

The nation's gross domestic product grew at an annual rate of 3.1 percent in the third quarter, the Commerce Department reported Friday. That represents an upward revision from last month's 2.8 percent estimate for the same period. The quarterly increase was the best since the start of last year and reflected a 4 percent growth in consumer spending, which amounts to the biggest improvement in that very important measure in four years. A stronger dollar also helped, as exports continue to grow. The strong third quarter figures also resulted in a 0.1 percentage point improvement to the projected GDP for all of 2010, which now stands at 2.9 percent.

QUOTE OF THE WEEK

"Money is better than poverty, if only for financial reasons." ~Woody Allen

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

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

Important Disclosures: The information and statistics in this e-mail have been obtained from sources we believe to be reliable but are not guaranteed by us to be accurate or complete. Any and all earnings, projections, and estimates assume certain conditions and industry developments, which are subject to change. The opinions stated are those of Estate Counselors, LLC, but are not intended to be a substitute for personal investment advice. Services provided by Estate Counselors, LLC do not constitute legal services and are not being provided by Willms, S.C. law firm. Communications between Estate Counselors, LLC and its clients are therefore not covered by the attorney-client privilege, and as a result may be discoverable by third parties. All such communications are, however, covered by Estate Counselor, LLC's privacy policy, a copy of which is available on request. *Please let us know in a reply to this e-mail if you have received this message in error, or would like to discontinue receiving it.* Thank you.