

The Market Week in Review

For the Week Ending November 12, 2011

THE MARKETS

In a week where there were few major economic announcements, the situation in Europe once again dominated trading on the stock market this week. Only this week it was Italy, not Greece, that had market participants concerned. Investors became concerned by the continual climb in Italy's debt yields, indicative of dwindling confidence in the country's ability to get a grip on its deficit spending. Fortunately the week ended on a strong note, as investors responded favorably to news that the leaders of Italy and Greece had finally taken meaningful steps to reinvigorate their economies and to address their burgeoning governmental debt. Positive news on consumer spending also contributed to investors' optimism.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	11,983.24	12,153.68	170.44	1.42%	4.98%
Nasdaq	2,686.15	2,678.75	-7.40	-0.28%	0.98%
S&P 500	1,253.23	1,263.85	10.62	0.85%	0.49%
Russell 2000	746.49	744.64	-1.85	-0.25%	-4.98%

This week we have attached a [Special Report](#) on predictions found in the Wall Street Journal's Business Bestseller "*Aftershock: Protect Yourself and Profit in the Next Global Financial Meltdown*". The book advises that the U.S. and world economies are destined for a dramatic and severe collapse sometime between 2013 and 2015. The ideas and predictions discussed in the Special Report are often repeated and could be affecting how you feel about your investments. Therefore we encourage you to take the time to read the Special Report, and let us know if you would like to discuss it.

DAILY DEVELOPMENTS

MONDAY

There were no major economic announcements on Monday.

TUESDAY

The National Federation of Independent Business's small-business optimism index was released on Tuesday. It registered a slight increase, up to 90.2 in October from 88.9 in September. While the October level is the highest since June, it is still quite low from a historical perspective. During the last recovery, the index often ran near or above 100. The report also suggests that inflation remains in check. On a seasonally adjusted basis, the net percentage of business owners raising selling prices fell 7 points, to -1% in October.

WEDNESDAY

Wholesale businesses fell by 0.1% in September the Commerce Department said Wednesday. It was the first decline in wholesale stockpiles in nearly two years. The drop was attributable primarily to declines in inventories of agricultural products, petroleum, and clothing. Inventories of durable goods, such as autos, furniture and machinery, rose.

THURSDAY

The U.S. Labor Department reported on Thursday that the number of Americans who filed new initial jobless claims fell by 10,000 to a seasonally adjusted 390,000 in the week that ended November 5th. That's the lowest level in seven months. The four week average, down 5,250 to 400,000, is also at its lowest since April.

The U.S. trade gap shrank from \$44.9 billion in August to \$43.1 billion in September. Expectations had been for a \$46.3 billion deficit in September. Exports gained 1.4 percent after edging up 0.1 percent in August, while imports rose 0.3 percent after a 0.2 percent decline the prior month. A sizeable part of the increase in exports can be traced to an increase in shipments of nonmonetary gold which were up \$1.6 billion in September.

FRIDAY

The Thomson Reuters/University of Michigan preliminary index of consumer sentiment for November was released on Friday. It revealed that the index climbed to 64.2 this month, the highest since June, and up from 60.9 in October. The median estimate of economists surveyed by Bloomberg News predicted a reading of 61.5. However the index is still quite low from historic standards. For example the index averaged 89 in the five years leading up to the recession that began in December 2007.

TIDBITS

This week we pay honor to our nation's military personal and veterans with the following tidbits.

In November 1919, U.S. President Woodrow Wilson proclaimed November 11th as the first commemoration of Armistice Day, the date in 1918 when an armistice was signed between the Allied nations and Germany, bringing World War I to an end. On May 13, 1938 Armistice Day was recognized as a legal Federal holiday.

On June 1, 1954 President Dwight D. Eisenhower signed legislation replacing the word 'Armistice' with 'Veterans'. From then on Veterans Day became a day to honor American veterans of all wars.

Each year on November 11th the Veterans Day National Ceremony is held at Arlington National Cemetery in Arlington, Virginia to honor and thank all who served in the United States Armed Forces. The ceremony commences with the laying of a wreath at the Tomb of the Unknown Soldier, and continues with a parade of colors by veterans' organizations and speeches from assorted dignitaries.

According to the U.S. Census Bureau, in 2010 there were an estimated 22.66 million military veterans in the United States, and 1.43 million active military personnel. This equates to approximately 10% of the U.S. population over the minimum age of enlistment (17) having served or currently serving in the U.S. Military.

Our sincere thanks to our active military members and our veterans whose dedication and sacrifice has made it possible for us to enjoy the freedom we all enjoy and benefit from.

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

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