The Market Week in Review
For the Week Ending September 24, 2011

THE MARKETS

Both equities and commodities suffered this week as discouraging economic data fueled growing fears of another recession. Investors scrambled to move money into assets perceived by many to be safe havens such as the U.S. dollar, which hit a seven month high on Thursday. Adding to the stock market's woes this week was the Federal Reserve's assessment that a complete economic recovery was still years away, and its warning that the United States economy has "significant downside risks to the economic outlook, including strains in global financial markets". What's unclear is whether the markets have overreacted to the weakening of the economic recovery.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	11,509.09	10,771.48	-737.61	-6.41%	-6.96%
Nasdaq	2,622.31	2,483.23	-139.08	-5.30%	-6.39%
S&P 500	1,216.01	1,136.43	-79.58	-6.54%	-9.64%
Russell 2000	714.31	652.43	-61.88	-8.66%	-16.74%

DAILY DEVELOPMENTS

MONDAY

Confidence amongst homebuilders continued to fall in September, according to survey results released Monday by the National Association of Home Builders. The NAHB/Wells Fargo Housing Market index dropped 1 point in August to 14 the group said in a statement. That was shy of expectations for 15, according to a Reuter's poll of economists. Readings below 50 mean more builders view market conditions as poor than favorable. The index has been stuck between 13 and 16 for six months in a row, and has not been above 50 since April 2006.

TUESDAY

A report on housing starts released Tuesday by the National Association of Realtors was more positive than Monday's report on homebuilder's sentiment. It indicated that while the number of new construction commenced in August was down 5.0%, the forward looking (and more significant) number of new housing permit applications rose 3.2% to 0.620 million units annualized. That was higher than analysts' expectation for 0.590 million. Permits in August were up 7.8 percent on a year ago basis.

WEDNESDAY

The Fed announced on Wednesday that it would invest $400 billion in long term Treasury securities over the next nine months, using money raised by selling its holdings of short term federal debt, in an attempt to drive down interest rates on mortgage loans, corporate bonds and other forms of credit. "Growth remains slow. Recent indicators point to continuing weakness in overall labor market conditions and the unemployment rate remains elevated...Household spending has been increasing at only a modest pace in recent months" the Fed's policy-making committee said in its statement. It also said there was a significant risk that "strains in global financial markets" could further damage prospects for recovery.

Also on Wednesday the National Association of Realtors announced that U.S. existing home sales jumped 7.7% in August, reversing a sales decline that had begun last March. The news in the report was not all positive however, as it also noted that cancelled sales had risen to 18% of all contracts, up from a norm of 4%, which means that previously reported pending sales will not fully translate into closed sales of existing homes. The median house price was also down 5.1%.

THURSDAY
Applications for jobless benefits decreased 9,000 in the week ended September 17th to 423,000, the Labor Department announced on Thursday. Economists surveyed before the announcement were on average forecasting that there would be 420,000 new claims, according to a Bloomberg News survey. The average number of claims in the past month rose for a fifth straight week, to 421,000 from 420,500. That's the highest 4 week average since July 16th.

The Conference Board reported Thursday that its leading economic index rose by 0.3 percent in August following an upwardly revised 0.6 percent increase in July. Economists had expected the index to edge up by 0.1 percent compared to the 0.5 percent increase originally reported for the previous month. However, the report also raised concerns regarding the health of the U.S. economy. Ken Goldstein, an economist at the Conference Board, said "There is growing risk that sustained weak confidence could put downward pressure on demand and business activity, causing the economy to potentially dip into recession. ...While the chances of that happening remains below 50-50, the odds have certainly increased in recent months."

FRIDAY
There were no major economic announcements on Friday.

QUOTE OF THE WEEK

> "Here we are, likely facing yet another recession, lacking in confidence, with limited jobs opportunity, hanging our star on a president and Congress that can't agree on what day it is, while offering very little hope of anything meaningful in terms of a jobs solution or a fix for the housing market."
>
> Kevin Giddis, managing director of fixed income investments at Morgan Keegan.

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.