

The Market Week in Review

For the Week Ending January 14, 2012

THE MARKETS

It was a relatively calm week on Wall Street this past week. There was not a whole lot of major economic announcements during the week, and as a result the market was relatively stable. Confidence amongst investors that the economic recovery was starting to take hold pushed all three of the major indexes higher, with the Small Cap Russell 2000 enjoying the biggest gains.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	12,359.92	12,422.06	62.14	0.50%	1.67%
Nasdaq	2,674.22	2,710.67	36.45	1.36%	4.05%
S&P 500	1,277.81	1,289.09	11.28	0.88%	2.50%
Russell 2000	749.71	764.2	14.49	1.93%	3.14%

DAILY DEVELOPMENTS

MONDAY

Consumer borrowing surged in November by \$20.4 billion, the Federal Reserve said Monday. It was the third consecutive monthly increase in borrowing and the largest one month increase in the last ten years. Credit card debt rose by \$5.6 billion, the most since March 2008. Auto loans increased \$14.8 billion, just shy of last July's gain, which was the biggest since February 2005.

TUESDAY

There were no major economic announcements on Tuesday.

WEDNESDAY

The Federal Reserve released the latest edition of the "Beige Book" on Tuesday. This book is produced roughly two weeks before the monetary policy meetings of the Federal Open Market Committee. According to the report, the economy is showing signs of improvement with national economic activity expanding at a "modest to moderate pace". That description compares favorably with the one found in the November 30th Beige Book, which described economic recovery as occurring at a "slow to moderate" pace.

THURSDAY

The number of Americans who filed for unemployment benefits increased by 24,000 last week, the Labor Department said Thursday. For the week ended January 7th, seasonally adjusted initial unemployment claims nationwide totaled 399,000, as compared to the prior week's revised 375,000. Thursday's report was a surprise for economists who had been predicting 375,000 new claims. Prior to Thursday's announcement new claims had

fallen for four of the six past weeks, and in mid-December fell to 366,000, which is the lowest reading since mid-2008.

FRIDAY

The Commerce Department announced Friday that the U.S. trade deficit grew in November to \$47.8 billion from \$43.3 billion in October. The increased deficit resulted from the combined effects of a sharp increase in oil imports and a dip in exports. The latest shortfall greatly exceeded the consensus forecast for \$45.0 billion. Exports declined 0.9 percent after dipping 0.7 percent in October. Imports rebounded 1.3 percent in November, following a 1.0 percent decline the prior month.

Standard and Poors is ready to cut its ratings on several European countries Reuters reported Friday. The market took the news in stride, as rumors about the downgrades have persisted since 2011. A French official on Friday said its triple-A rating would be cut to AA+. Germany and the Netherlands would be spared from downgrades however, according to the report.

QUOTE OF THE WEEK

"A Greek, an Italian and a Spaniard walk into a bar...Who pays? ...The German."
David Wessel, Wall Street Journal.

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.