

The Market Week in Review

For the Week Ending June 30, 2012

THE MARKETS

There were a number of major economic developments this week, but none bigger than the EU's decision Friday night to allow countries that comply with its budget policies to access the bloc's rescue funds to support their sovereign bond markets. The news was welcomed by U.S. investors, allowing the major indexes to finish the second quarter of 2012 on a positive note.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	12,640.78	12,880.09	239.31	1.89%	5.42%
Nasdaq	2,892.42	2,935.05	42.63	1.47%	12.66%
S&P 500	1,335.02	1,362.16	27.14	2.03%	8.31%
Russell 2000	775.16	798.49	23.33	3.01%	7.77%

DAILY DEVELOPMENTS

MONDAY

Sales of newly completed single-family homes in the U.S. increased 7.6% between April and May, the Commerce Department reported. Last month's total was up 19.8% compared with May 2011. The seasonally adjusted annual sales rate was 369,000, the most since April 2010. Low borrowing costs combined with pent up demand seem to have combined to stimulate the housing market out of its long lasting slump.

TUESDAY

The Standard & Poor's/Case-Shiller index of 20 large cities rose 1.3% in April, which was the first such improvement in 7 months. However, the index was still down 1.9% compared with April 2011, which was the smallest year over year decline since November 2010.

The improving housing market was not sufficient to boost consumer confidence according to a report released Thursday. The Conference Board said its Consumer Confidence Index declined to 62 in June from 64.4 in May. It is the fourth consecutive monthly decline. The index is closely watched because consumer spending accounts for 70% of economic activity in the U.S.

WEDNESDAY

New factory orders for durables rebounded 1.1 percent in May after a 0.2 percent dip in June. The increase beat the pre-announcement market consensus for a 0.4 percent increase. A significant share of the increase was attributable to a rise in aircraft orders,

which are very volatile. Excluding transportation, durables rose 0.4 percent after a revised 0.6 percent drop in April. Experts had been predicting a 0.8 percent increase in this statistic.

THURSDAY

Labor Department figures released on Thursday indicated that initial claims for unemployment benefits decreased by 6,000 to 386,000 in the week ended June 23rd, in line with the median forecast of surveyed economists. However, the prior week's initial estimate was increased by 5,000 to 392,000. So the decline from last week's original estimate was only 1,000, leaving the number of people filing for first time benefits near its high for 2012. The four week moving average also decreased slightly from 387,500 to 386,750. That's the highest 4 week average since the week that ended on December 3, 2011.

Also on Thursday the Commerce Department reported that its most recent estimate of GDP growth during the first quarter of 2012 was remaining unchanged at 1.9%. However corporate profits decreased for the first time in four years.

FRIDAY

Leaders at an EU summit agreed to ease conditions for emergency loans to Spanish banks and for a possible financial rescue of Italy. German Chancellor Angela Merkel made major concessions, clearing the way for the Euro zone to take a wide range of measures to end the debt crisis.

Also on Friday, the Commerce Department announced that consumer spending was unchanged from April's level in May. Income increased a modest 0.2 percent, but that was mostly attributable to gains from investments while earned income was essentially flat. Spending on durable goods declined, although the amount spent for services increased for the second straight month.

TIDBITS

According to a recent article in the Washington Post, U.S. congressional members altered their personal investments 166 times within two business days of talking with officials from the Federal Reserve or the Treasury Department about the 2008 financial crisis.

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.