The Market Week in Review
For the Week Ending March 3, 2012

THE MARKETS

The major indexes were mixed last week, as the S&P 500 and the Nasdaq both finished the week higher, while the Dow and the Russell 2000 both ended the week in the red. Investors were torn by better economic news and increasing tensions in the Middle East.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	12,982.95	12,977.57	-5.38	-0.04%	6.22%
Nasdaq	2,963.75	2,976.19	12.44	0.42%	14.24%
S&P 500	1,365.74	1,369.63	3.89	0.28%	8.91%
Russell 2000	826.92	802.42	-24.50	-2.96%	8.30%

DAILY DEVELOPMENTS

MONDAY
There was more good news regarding the housing sector on Monday as the National Association of Realtors announced that its Pending Home Sales Index increased 2 percent to 97 points in January, which is the highest reading for that index since April 2010. New sales contracts were up 8 percent from January 2011. In addition, last December's reading of pending home sales was revised upward, indicating a 1.9 percent drop as compared to the previously reported 3.5 percent decline.

TUESDAY
The Conference Board's Consumer Confidence Index climbed to 70.8 in February according to data released on Tuesday from the New York based private research group. That's the highest the index has been in a year, and much higher than the 63 that was the average prediction of economists surveyed by Bloomberg News.

U.S. home prices fell in December from a month earlier, according to the S&P/Case-Shiller Index of Property Values released on Tuesday. During the fourth quarter, home prices reached new lows, falling 3.8% sequentially and 4% on a year to year basis. Prices are down 33.8% from their peak in the second quarter of 2006. The January decline was more than the 3.7% median forecasted by economists surveyed by Bloomberg news and comes on the heels of a 3.9 % drop for the year ended last November.

Orders for durable goods fell 4 percent last month, the Commerce Department said Tuesday. A big reason for the decline was demand for so called core capital goods, which are viewed as a good measure of business investment plans, tumbled 4.5 percent. It appears that businesses slashed spending on machinery and equipment in January after a tax break expired.

WEDNESDAY
Gross domestic product expanded at a 3 percent annual rate, the Commerce Department said on Wednesday in its second estimate for the year. That's up from the 2.8 percent rate the government reported last month and is the quickest rate of growth since the second quarter of 2010. The improvement was attributed to upward revisions to almost all components of GDP.

Also on Wednesday the Institute for Supply Management released its index of manufacturing in the Midwest region. The index now stands at its 10 month high of 64, which is its highest, up nearly 4 points, from January's reading of 60.2. A reading above 50 indicates expansion in the regional economy.

THURSDAY
The Institute for Supply Management's nationwide factory index slipped to 52.4 last month, down from January's 54.1 reading. Economists surveyed by Bloomberg News projected the gauge would climb to 54.5.

The Labor Department announced Thursday that initial jobless claims in the February 25th week came in at 351,000, down 2,000 from the revised prior week. The four week average continued its downward trend, falling 5,500 to 354,000, which is its lowest level since March 2008. Continuing claims are also trending lower, as evidenced by data for the week ending February 18th. It indicates continuing claims are down 2,000 to 3.402 million with the four week average down 12,000 to 3.444 million.

The Commerce Department reported on Thursday that personal income increased $37.4 billion, or 0.3 percent, and disposable personal income (DPI) increased $14.1 billion, or 0.1 percent, in January. Personal consumption expenditures (PCE) increased $23.2 billion, or 0.2 percent. The data suggests that consumer spending will continue to improve for the immediate future.

FRIDAY
There were no major economic announcements on Friday.

TIDBITS

According to *Morningstar*, 79% of large-cap mutual fund managers were not able to outpace the S&P 500 stock index. It was the worst showing for the funds since 1997. One reason is that managed funds had an average expense ratio of 1.3%, while the large index ETFS frequently charge less than 0.20%.

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

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