

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

THE MARKETS

All U.S. equity markets were closed on Monday and Tuesday this past week as a result of the damage caused by Hurricane Sandy. It was the first time the stock market was shut down for consecutive days due to weather since 1888. Trading was light once the markets reopened, reflecting investors hesitancy to take a stand prior to knowing the outcome of the presidential election next Tuesday. By the time the markets closed on Friday all 4 of the major indexes ended the week very near to where they had closed the week before.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	13,107.21	13,093.16	-14.05	-0.11%	7.17%
Nasdaq	2,987.95	2,982.13	-5.82	-0.19%	14.47%
S&P 500	1,411.94	1,414.20	2.26	0.16%	12.45%
Russell 2000	813.25	814.37	1.12	0.14%	9.91%

DAILY DEVELOPMENTS

MONDAY

Consumer spending rose 0.8 percent in September, the Commerce Department reported on Monday. The strong September number follows a 0.5 percent rise in August, and represents the largest increase since last February. At the same time personal income rose 0.4 percent. However, after adjusting for inflation and taxes, income was flat in September, meaning that consumers were using either credit or savings to finance some of their purchases.

TUESDAY

Housing prices increased 2% in the 20 biggest U.S. cities during the year that ended in August, according to the Standard and Poor's/Case-Shiller index. The improvement was the largest since July 2010. The index rose 1.2 percent in August.

WEDNESDAY

There were no major announcements on Wednesday.

THURSDAY

The Labor Department announced Thursday that initial jobless claims for the week ending October 27th decreased by 9,000 from the previous week's revised number of 372,000 claims. After a 15% increase for the week ending October 13th, the 363,000 new claims represented the second straight weekly decrease. The four week moving average also fell by 1,500 to 367,250.

The Institute of Supply Management's U.S. Manufacturing Index rose in October by two-tenths in October to 51.7. A reading above 50 is thought to indicate an expanding manufacturing sector. Significantly, the new orders index rose to 54.2 from 52.3 in September. The production index also improved, to 52.4 from 49.5 in September.

FRIDAY

The Labor Department's last report before the election indicated that the U.S. economy added 171,000 positions in October. While the number of new jobs created was slightly more than the preannouncement consensus of 165,000, it was not sufficient to keep pace with the number of new job seekers. As a result, the unemployment rate edged up to 7.9 percent.

TIDBITS

Disney Studios has agreed to acquire Lucasfilm for \$4.05B in cash and shares. Disney intends to release Episode 7 of the Star Wars saga in 2015 and more films after that.

QUOTE OF THE WEEK

"You cannot help the poor by destroying the rich. You cannot strengthen the weak by weakening the strong. You cannot bring about prosperity by discouraging thrift. You cannot lift the wage earner up by pulling the wage payer down. You cannot further the brotherhood of man by inciting class hatred. You cannot build character and courage by taking away people's initiative and independence. You cannot help people permanently by doing for them, what they could and should do for themselves."

– *The Reverend William John Henry Boechter.*

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, and be sure to vote next Tuesday!

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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