

The Market Week in Review
For the Week Ending September 22, 2012

THE MARKETS

Stock prices were relatively flat this week as investors were still taking in last week's announcement from the Federal Reserve that it was planning to engage in yet another round of quantitative easing. On Wednesday, the Bank of Japan announced it planned to ease its monetary policy as well. Crude prices fell sharply during the week, which could help consumer spending in the weeks ahead. And the folks in Washington finally began to discuss in earnest ways to address the fiscal cliff, but I wouldn't bet on a solution to the problem before the elections.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	13,593.37	13,579.47	-13.90	-0.10%	11.15%
Nasdaq	3,183.95	3,179.96	-3.99	-0.13%	22.06%
S&P 500	1,465.77	1,460.15	-5.62	-0.38%	16.11%
Russell 2000	864.70	855.51	-9.19	-1.06%	15.47%

DAILY DEVELOPMENTS

MONDAY

The Empire State general business conditions index that was released on Monday showed new manufacturing orders continue to fall and shipments continue to slow in the New York region. More specifically, the index decreased to negative 10.4 in September from negative 5.9 in August, according to the manufacturing survey compiled by the Federal Reserve Bank of New York. That's the lowest reading since November 2010.

TUESDAY

The National Association of Home Builders (NAHB) released their latest Housing Market Index (HMI) on Tuesday. It showed builder confidence in the new home market continues to improve, with the index rising 3 points to 40.

WEDNESDAY

The latest residential construction figures from the Commerce Department showed newly issued building permits for housing declining by 1.0% in August vs. July while new housing starts in August rose 2.3% over the previous month. Housing starts climbed to an annual rate of 750,000 last month. Construction on new homes is 29% higher than one year ago.

Evidence of the housing market recovery could be found by data released by the National Association of Realtors on Wednesday. That organization also announced that sales of previously owned homes in the U.S. increased 7.8% in August, to an annual rate of 4.82 million, the highest level since May 2010.

THURSDAY

Initial jobless claims dropped by 3,000 to a seasonally adjusted 382,000 in the week ended September 15th, according data released by the Labor Department on Thursday. The average of new claims over the past month, meanwhile, rose by 2,000 to 377,750. That's the highest level since late June.

FRIDAY

There were no major economic announcements on Friday.

QUOTE OF THE WEEK

"The hardest thing in the world to understand is the income tax."

Albert Einstein

TIDBITS

The Federal Reserve reported this week that residential-mortgage lending fell last year to its lowest level in 16 years. Mortgages issued decreased more than 10%, to \$7.1 million, between 2010 and 2011, according to the Central Bank.

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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