

The Market Week in Review

For the Week Ending April 13, 2013

THE MARKETS

Stocks rallied the first four days of the week amid better than expected employment numbers, an upbeat economic report from the Fed, and investors' positive expectations for the upcoming quarterly earnings reports. The Dow Jones and the S&P 500 both reached new all time highs on Wednesday with the Dow finishing up 128 points and the S&P jumping 19 points. Stocks took a breather on Friday and finished the day negative after a disappointing retail sales report. Despite Friday's decline all major indexes were up 2 percent or more for the week.

| Index | Started Week | Ended Week | Change | % Change | YTD % |
|--------------|--------------|------------|--------|----------|--------|
| DJIA | 14,565.25 | 14,865.06 | 299.81 | 2.06% | 13.44% |
| Nasdaq | 3,203.86 | 3,294.95 | 91.09 | 2.84% | 9.12% |
| S&P 500 | 1,553.28 | 1,588.85 | 35.57 | 2.29% | 11.41% |
| Russell 2000 | 923.28 | 942.85 | 19.57 | 2.12% | 11.01% |

DAILY DEVELOPMENTS

MONDAY

There were no major economic announcements on Monday.

TUESDAY

There were no major economic announcements on Tuesday.

WEDNESDAY

The Fed posted the latest Federal Open Market Committee (FOMC) minutes on Wednesday. The general consensus amongst the board members is that economic activity is expanding at a moderate pace and the labor market is improving despite last week's dismal employment report. Most participants also feel that the Fed's expansion of the money supply through purchases of mortgage backed bonds has benefited the economy.

THURSDAY

The Labor Department reported Thursday that jobless claims decreased significantly last week following a spike the week prior. Initial claims fell nearly 20,000 more than expected with a 42,000 decline in the April 6th week to 346,000. Continuing claims fell by 12,000 for the March 30th week, but the pace of improvement is decelerating as evidenced by the 4 week average which is up 5,000 from the week prior. The unemployment rate for insured workers has remained stagnate since early February at 2.4 percent.

FRIDAY

A weaker than expected Producer Price Index (PPI) number from March was mostly related to a 6.8 percent decline in gas prices, said the Labor Department on Friday. The index fell 0.6 percent following a strong gain of 0.7 percent in February, and came in worse than market expectations of a 0.2 percent decline. Food prices increased by 0.8 percent following a 0.5 decline the month prior and energy costs dropped 3.4 percent following a spike of 3.0 percent in February.

The Commerce Department reported Friday that retail sales showed weakness across the board in March with a decline of 0.4 percent after a considerable increase of 1.0 percent in February. Auto sales reversed their recent uptrend with a decline of 0.6 percent, and gasoline sales decreased substantially by 2.2 percent due to lower prices. It appears the higher payroll taxes that kicked in at the beginning of the year are finally cutting into consumer spending.

The University of Michigan-Thomson Reuters consumer-sentiment gauge dropped to a preliminary April reading of 72.3 - the lowest result since July - from a final March reading of 78.6. Economists polled by MarketWatch had expected a preliminary April reading of 79.3. If confidence continues to decline, economic growth could slow from current estimates.

TIDBITS

The total cost of bailing out Cyprus will be \$23 billion, \$6 billion more than the original estimate, according to a leaked draft of the eurozone's updated rescue plan. Cyprus will be forced to come up with the extra money, according to the plan that was prepared for a meeting of eurozone finance ministers in Dublin.

QUOTE OF THE WEEK

Good fortune is what happens when opportunity meets with planning.
– Thomas Edison

We 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 Andy Willms at awillms@estatecounselors.com or Garrett Alabado at galabado@estatecounselors.com. If you would like to discuss how current market conditions could impact your investments, please feel free to call us at the number listed below.

Best regards,

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