

## The Market Week in Review

For the Week Ending April 6, 2013

### THE MARKETS

The S&P 500 and the Nasdaq logged their worst weekly results year to date last week as a poor labor report on Friday once again raised questions about the strength of the economic recovery. Instead, investors sought safety in bonds, causing U.S. Treasuries to move sharply higher. PIMCO's 25+ Year Zero Coupon U.S. Treasury Index (ZROZ), Vanguard Extended Duration Treasury Index (ZROZ), and iShares Barclays 20+ Year Treasury Bond Fund (TLT) all registered gains of at least 4% on Friday.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	14,578.54	14,565.25	-13.29	-0.09%	11.15%
Nasdaq	3,267.52	3,203.86	-63.66	-1.95%	6.11%
S&P 500	1,569.19	1,553.28	-15.91	-1.01%	8.91%
Russell 2000	951.54	923.28	-28.26	-2.97%	8.70%

### DAILY DEVELOPMENTS

#### MONDAY

A mixed report from The Institute for Supply Management (ISM) on Monday showed that manufacturing growth is slowing. The ISM Manufacturing Index finished at 51.3 in March, down significantly from the 54.2 and 53.1 readings for the past two months. New orders were also weak and fell 51.4, 6.4 points from February. The positives from the report include a boost in new export orders and the best employment reading since June.

#### TUESDAY

Factory orders from February showed some positive signs of growth as reported by the Commerce Department on Tuesday. New orders increased more than expected and durable goods orders jumped 5.6 percent. Excluding transportation, new orders increased by 0.3 percent following a sizeable 2.0 percent gain in January.

#### WEDNESDAY

The Institute of Supply Management's report on the non-manufacturing sector released Wednesday showed signs of both strength and weakness. The index fell 1.6 points to 54.4 which is the lowest rate of growth in the index since July of 2012. The decline was driven by the employment index which was down by 3.9 points to 53.9. Despite this data, overall the non-manufacturing sector continues to grow, as lower fuel prices have kept prices in check.

## THURSDAY

The Labor Department reported on Thursday that jobless claims increased significantly for the March 23<sup>rd</sup> week. The increase of 28,000 to 385,000 in initial claims is the highest level so far this year and the four week average jumped up 11,250 to 354,250 which is also the highest level in 2013. On a positive note, continuing claims fell slightly by 8,000 to 3.063 million and the unemployment rate for insured workers was held at 2.4 percent.

## FRIDAY

Friday's employment report came as a big disappointment with the U.S. economy only adding 88,000 jobs in March. That's well below analysts' forecast of a 193,000 increase, and follows an increase of 268,000 in February. The Labor Department said that despite a slight dip in the unemployment rate to 7.6 percent from 7.7 percent a month ago, the decline in new jobs signals a deceleration in hiring. Wage growth and the average hourly earnings were flat in March following slight improvements in February.

## TIDBITS

The new Bank of Japan Governor, Haruhiko Kuroda, surprised investors worldwide on Thursday when he announced a stimulus plan that is more aggressive than anticipated. He committed to doubling the Bank of Japan's government bond holding over the next two years and plans to buy bonds of all maturities.

## QUOTE OF THE WEEK

What the wise do in the beginning, fools do in the end.  
– Warren Buffet

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](mailto:awillms@estatecounselors.com) or Garrett Alabado at [galabado@estatecounselors.com](mailto: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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