

The Market Week in Review

For Week Ending December 28, 2013

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THE MARKETS

The S&P 500 and the Dow Jones both hit new all time highs in response to several positive economic reports (discussed below). Perhaps most significantly, the U.S. economy grew at an annualized rate of 4.1 percent in the third quarter. The growth was driven by increased spending on services such as health care, recreation and software investments, although the very important retail sector lagged other industries. More good news came from the International Monetary Fund (IMF), which indicated it was upgrading its economic outlook for the U.S. in 2014. Bond prices fell throughout the week, pushing the 10 year Treasury note's interest rate above the key 3 percent mark.

The U.S. dollar fell for the second straight week against the currencies of its major trading partners, while gold increased \$1.70 to \$1,214 an ounce. Crude oil advanced for the second straight week to finish above \$100 at \$100.32 per barrel.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	16,221.14	16,478.41	257.27	1.59%	25.75%
Nasdaq	4,104.74	4,156.59	51.85	1.26%	37.66%
S&P 500	1,818.32	1,841.40	23.08	1.27%	29.11%
Russell 2000	1,146.47	1,161.09	14.62	1.28%	36.70%

DAILY DEVELOPMENTS

MONDAY

Consumer sentiment was unchanged from December's mid-month reading of 82.5, but was up considerably from November's final number of 75.1. By components, current conditions showed strength by increasing to 98.6, up from 97.9 earlier this month. Overall consumer sentiment is at its best since July, suggesting consumer spending will remain strong in the short term.

TUESDAY

The Census Bureau reported Tuesday that the manufacturing sector strengthened in November as new orders for manufactured durable goods rose 3.5% to \$241.6 billion. This was well above the consensus forecast of 1.9 percent and represented a sharp rebound from the 0.7 percent decline the month prior. Another positive in the report was a jump in capital goods orders of 4.5 percent, the highest monthly increase since January.

Sales of new single-family homes dropped 2.1 percent in November to 464,000, down from October's seasonally adjusted rate of 474,000. Despite the decline, sales are still 16.6 percent above those registered in November 2012. The median home price jumped 4.5 percent for the month to \$270,900 and the year over year rate is up 10.6 percent.

WEDNESDAY

Markets were closed Wednesday in observance of the Christmas holiday.

THURSDAY

The holiday season continued to skew the jobless claims numbers. Initial claims plunged 42,000 last week to 338,000 and have been fluctuating over a wide 75,000 range over the past four weeks. Continuing claims moved up 46,000 in the December 14th week to 2.923 million, and the four week average increased 40,000 to 2.837 million.

FRIDAY

Target confirmed Friday that debit card PIN data was stolen in its recent massive breach, reversing its earlier stance that the codes were not part of the hack.

TIDBITS

Extended federal unemployment benefits come to an end this Saturday for 1.3 million persons, which could have significant implications for the recovering U.S. economy and trigger another major political battle when Congress reconvenes in the new year.

QUOTE OF THE WEEK

If the nation's economists were laid end to end, they would point in all directions.

- Arthur H. Motley

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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