

The Market Week in Review

For the Week Ending February 16, 2013

THE MARKETS

After hitting five year highs during a choppy trading day on Tuesday, the Dow Jones Industrial Average and the S&P 500 finished the week relatively flat. Stocks wavered between slight gains and losses throughout the week and the S&P 500 was the only major index to finish positive. This marks the seventh straight week of gains for the S&P 500 which has not happened since 1967. However, stocks overall have been stalled for the past week and half are struggling to break through key resistance levels.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	13,992.97	13,981.76	-11.21	-0.08%	6.70%
Nasdaq	3,193.87	3,192.03	-1.84	-0.06%	5.71%
S&P 500	1,517.93	1,519.79	1.86	0.12%	6.56%
Russell 2000	913.67	923.15	9.48	1.04%	8.69%

DAILY DEVELOPMENTS

MONDAY

There were no major economic announcements on Monday.

TUESDAY

The Department of Treasury reported Tuesday that the country's deficit is decreasing as a result of increased tax receipts and slowing in spending growth. The government experienced a rare surplus of \$2.9 billion in January, and the government deficit for the first four months of the fiscal year of \$290.4 billion is 17 percent lower than a year ago.

WEDNESDAY

Retail sales slowed in January, due in part to the expiration of the reduced payroll taxes, said the Commerce Department on Wednesday. Sales increased slightly by 0.1 percent following a 0.5 percent increase in December and were in line with analyst estimates of a 0.1 percent rise. The gains were led by general merchandise and non-store retailers which were up 1.1 and 0.9 percent respectively, and weakness was experienced in miscellaneous store retailers and health and personal care which were down 2.6 and 1.0 percent respectively.

After two months of declines, both import and export prices rose in January. The Department of Labor reported that the sharp increase of 0.6 percent in import prices was mainly due to a jump of 2.9 percent in petroleum prices. However, excluding petroleum

imports only increased by 0.1 percent. Oil prices remain high and have pushed up the price of fuel but have had little impact on inflation as a whole.

THURSDAY

The number of Americans filing new claims for unemployment benefits fell more than expected last week, raising the prospect that the sluggish labor market recovery may have picked up a bit. More specifically, applications for unemployment insurance payments decreased by 27,000 to 341,000 in the week ended February 9th, according to Labor Department data issued on Thursday. The previous week's claims figure was revised to show that 2,000 more applications were received than previously reported.

The Bloomberg Consumer Comfort Index rose to minus 35.9 in the period ended February 10th from minus 36.3 in the prior week, another report showed. The gauge advanced for a second consecutive week, led by waning pessimism about the economy.

FRIDAY

Manufacturing was down 0.1 percent following gains of 0.4 percent in December and 1.4 percent in November, said the Federal Reserve Board of Governors on Friday. The slight decline was led by motor vehicle production which decreased by 3.2 percent while all other industries showed mixed results. The decline is not too alarming considering the strong gains for the two months prior and the positive numbers from early February.

Consumer sentiment rose considerably by 2.5 points for a mid-February reading of 76.3. The Institute for Social Research (ISR) reported on Friday that consumers' assessment of the economy continues to improve but remains well below the 80 plus readings in October and November of last year. Confidence is bouncing back following dips in December and January caused by the fiscal-cliff and payroll tax increases.

TIDBITS

According to Citigroup's global head of commodities research, U.S. oil and gas production is evolving rapidly as demand continues to drop. They anticipate that in 5 years the U.S. could no longer need to buy oil from any country other than Canada.

QUOTE OF THE WEEK

Money will buy you a pretty good dog, but it won't buy the wag of his tail.
- Henry Wheeler Shaw

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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