The Market Week in Review
For the Week Ending February 23, 2013

THE MARKETS

Stocks started the shortened holiday week on Tuesday with modest gains after the release of better than expected economic data from Europe, and as a result the Dow Jones and the S&P 500 hit new five year highs. However, the markets reversed drastically on Wednesday and stocks experienced their worst one day loss of 2013 after the release of the Fed minutes suggested the Fed is considering putting an end to its bond buying program in the foreseeable future. Stocks continued to slide on Thursday amid lackluster economic data and jobs data, but finished the rollercoaster week with strong gains on Friday. The Dow managed a small gain for the week while the S&P 500 snapped its 7 week winning by finishing down 0.28 points.

Gold was especially hard hit this week. The price per ounce fell below $1,600 and the ETFs that track gold suffered as a result, with the SPDR Gold Shares ETF (GLD) enduring a weekly loss of close to 2%.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	13,981.76	14,000.57	18.81	0.13%	6.84%
Nasdaq	3,192.03	3,161.82	-30.21	-0.95%	4.71%
S&P 500	1,519.79	1,515.60	-4.19	-0.28%	6.27%
Russell 2000	923.15	916.15	-7.00	-0.76%	7.86%

DAILY DEVELOPMENTS

MONDAY
The stock market was closed on Monday in observance of President's Day.

TUESDAY
The housing market index released on Tuesday by the National Association of Home Builders indicates the improvement experienced in the new home market over the past year may be stalling. The index's current reading of 46 means that more home builders describe conditions as bad rather than good. Weakness in the U.S. job market and a shortage of vacant lots are the most often cited reasons for the decline.

WEDNESDAY
Wednesday brought more news on the housing market as the Department of Commerce reported a drop in housing starts of 8.5 percent in January following a significant increase of 15.7 percent in December. Volatility in the housing starts numbers are typical during

the winter months and despite December's drop housing permits are still trending upward at a moderate pace.

The Producer Price Index (PPI) increased in January by 0.2 percent following a drop of 0.3 percent the prior month. The Department of Labor reported that the increase was partly due to an unexpected spike in food price inflation, which surged by 0.7 percent in January after falling 0.8 percent in December. Energy costs declined again by 0.4 percent following a decline of 0.6 in December, as did gasoline which fell by 2.1 percent after decreasing by 1.8 percent in December.

THURSDAY
Initial jobless claims as reported by the Labor Department took a turn for the worse last week, but special factors impacting the numbers may lessen the significance of the decline. Initial claims jumped by 20,000 to 362,000 which was worse than forecasters had been expecting. Continuing claims increased slightly by 11,000 in the February 9th week to 3.148 million, but the four week average declined 7,000 to 3.186 million. The unemployment rate for insured workers remained unchanged at 2.4 percent, which is the lowest rate during the economic recovery.

In a separate release the Department of Labor announced that the core Consumer Price Index (CPI), which excludes food and energy, was up 0.3 percent in January following a 0.1 increase in December. Overall CPI was flat as a result of falling energy and gasoline prices, which were down 1.7 and 0.8 percent respectively. On a year-over-year basis CPI remained below 2 percent at 1.6 percent in January, down from 1.8 percent in December.

Despite a shortage in supply of existing homes, sales increased slightly by 0.4 percent in January to an annual rate of 4.92 million. January's market supply was down to 4.2 months which is considerably lower than the 4.5 and 4.8 million in the two prior months. The National Association of Realtors believes the shortage is a result of the tightening credit policies which have restricted sales and new construction.

FRIDAY
There were no major economic announcements on Friday.

TIDBITS

> Crude oil is currently at $117 per barrel, and is quickly approaching the $120 price that has historically coincided with a slowdown in economic activity. If prices continue to rise, higher gasoline and diesel prices could adversely affect spending on consumer goods.

QUOTE OF THE WEEK

> A nation that is afraid to let its people judge the truth and falsehood in an open market is a nation that is afraid of its people.
> -- John F. Kennedy

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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