ESTATE COUNSELORS, LLC

ASSET MANAGEMENT

The Market Week in Review

For Week Ending July 13, 2013

THE MARKETS

The equity markets rallied this week as Federal Reserve Chairman Ben Bernanke said stimulus withdrawal is further away than many investors had thought. Bernanke said the Fed's basic message to the market is that "a highly accommodative policy is needed for the foreseeable future". Investors who have been worried that the Fed would soon stop pumping money into the economy welcomed the news, pushing all 4 of the major indexes higher for the week and the S&P 500 and Dow Jones to new all time highs on Friday.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	15,135.84	15,464.30	328.46	2.17%	18.01%
Nasdaq	3,479.38	3,600.08	120.70	3.47%	19.23%
S&P 500	1,631.89	1,680.19	48.30	2.96%	17.81%
Russell 2000	1,005.39	1,036.52	31.13	3.10%	22.04%

DAILY DEVELOPMENTS

MONDAY

Total consumer installment credit advanced by $19.6 billion to $2.8 trillion, according to data released by the Federal Reserve on Monday. Economists polled by Reuters had expected consumer credit to rise by $12.5 billion. Consumer debts for non-revolving credit, which includes loans for cars and college tuition, and revolving facilities like credit cards both rose. Overall consumer debt rose the most since May 2012.

Contact Us

- Our Website: www.estatecounselors.com
- Our E-mail: firm@estatecounselors.com
- Our Phone Number: (262) 238-6996
- Our Address: 414 N. Main Street Thiensville, WI 53092

TUESDAY

The International Monetary Fund has lowered its forecast for 2013 growth of the world economy by 0.2 percent, to 3.1. The U.S. economy is expected to expand by 1.7%. The IMF downgraded its forecasts for several emerging economies including Brazil, Russia, India, China and South Africa.

WEDNESDAY

The U.S. Census Bureau announced Wednesday that May 2013 sales of merchants were up 1.6 percent to $424.6 billion and up 4.1 percent (+/-2.8%) from sales recorded during May of 2012. Total inventories of merchant wholesalers, after adjustment for seasonal variations, were $500.9 billion at the end of May, down 0.5 percent (+/-0.2%) from the revised April level, 3.3 percent higher than May 2012.

The big news on Wednesday was the release of the minutes from the latest Federal Reserve's Open Market Committee meeting. They suggest there was quite a split among the meeting's participants about how to phase-out of the bond buying program and how to present the subject to the public. The final decision was to base the taper timetable on market conditions rather than specific target dates.

THURSDAY

The Department of Labor announced Thursday that initial unemployment claims for the week ending July 6th increased by 16,000 to 360,000. The total number of claims for the week ending on June 29, 2013 was upwardly revised by 1,000 from 343,000 to 344,000. The report was a significant departure from economists' expectations for a decrease to 337,000 initial claims.

FRIDAY

Inflation increased in June as indicated by a boost in the producer price index (PPI) of 0.8 percent. The jump in the PPI was led by gasoline prices which spiked 7.2 percent in June following a modest increase of 1.5 percent the month prior. Energy prices also increased significantly with a gain of 2.9 percent after increasing by 1.3 percent in May. The year over year PPI rate finished at 2.5 percent, up from 1.8 percent a month ago.

Consumer sentiment has pulled back slightly so far in July. The composite reading of 83.9 is slightly below the end of June's number of 84.1. The expectations component showed weakness with a drop of 4 points from the last reading, while current conditions showed improvement with a boost of nearly 6 points. The recent spike in gas prices caused the near-term outlook for inflation to jump to 3.3 percent, up from 3.0 percent in June.

TIDBITS

The Treasury Department has announced that tax receipts exceeded spending by $116.5 billion in June. A recovering economy generated more tax revenue, while the sequester helped push government spending sharply lower. The Obama administration is forecasting that the federal budget deficit will decline to $759 billion this fiscal year, which if correct would amount to the smallest deficit in five years.

QUOTE OF THE WEEK

Americans are in a cycle of fear which leads to people not wanting to spend and not wanting to make investments, and that leads to more fear. We'll break out of it. It takes time.
-- Warren Buffett

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,

Andy
Andrew J. Willms, J.D. LL.M.

Garrett
Garrett Alabado

Estate Counselors, LLC
414 N. Main Street
Thiensville, WI 53092
Phone (262) 238-6996
Fax (262) 238-6999
www.estatecounselors.com