ESTATE COUNSELORS, LLC

ASSET MANAGEMENT

The Market Week in Review

For Week Ending July 27, 2013

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THE MARKETS

Stocks oscillated between slight gains and losses throughout the week amid mixed earnings and economic reports. A rally in gold prices helped boost stocks on Monday while weakness in the technology sector dragged the S&P 500 and the Nasdaq into negative territory on Tuesday. Disappointing results from key Dow companies overshadowed positive home sales data Wednesday, pushing the Dow Jones and the S&P 500 into the red. Mixed earnings reports from major companies limited the Dow and the S&P 500 from extending their gains on Thursday. Stocks made a significant recovery on Friday and erased earlier losses which boosted the Nasdaq and the Dow into positive territory for the week and resulted in the Dow extending its now five week old winning streak.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	15,543.74	15,558.83	15.09	0.10%	18.73%
Nasdaq	3,587.61	3,613.16	25.55	0.71%	19.66%
S&P 500	1,692.09	1,691.65	-0.44	-0.03%	18.61%
Russell 2000	1,050.48	1,048.51	-1.97	-0.19%	23.45%

DAILY DEVELOPMENTS

MONDAY

The National Association of Realtors said on Monday that the number of homes sold in the U.S. fell 1.2 percent in June to an annual rate of 5.08 million units. The increase in mortgage interest rates was identified as the primary cause for the slowdown in sales. At the same time the median price for a previously owned home soared 13.5 percent from a year ago to $214,200, the highest since June 2008. Sales of existing homes in Wisconsin rose 3.1% in June while median prices jumped 12.3%.

The U.S. economy posted a slightly stronger pace of growth in June, "led by improvements in production-related indicators," according to the Chicago Fed National Activity Index. The improvement boosted the Index's three month moving average of the Chicago Fed Index to -0.26 last month, up modestly from the revised -0.37 for May.

TUESDAY

Tuesday's economic news was headlined by the disappointing results contained in the Richmond Federal Reserve's Fifth District Survey of Manufacturing Activity. The Index of Manufacturing Activity (which is derived from the survey's results) plummeted by 18 points in July to a negative 11. By comparison, economists were expecting the index to remain unchanged from June's reading of 8.

WEDNESDAY

The Commerce Department reported on Wednesday that sales of single family homes increased by 8.3 percent in June to a seasonally adjusted annual rate of 497,000 units. That's the largest number of new homes sold in a single month since May 2008. Compared with June last year, single family home sales were up 38.1 percent, the largest increase since January 1992.

The preliminary Markit U.S. Manufacturing Purchasing Managers' Index (PMI) report for July suggested that the slowdown in manufacturing may be confined to the Federal Reserve's Fifth District. The PMI jumped to 53.9 from 51.9 for the prior month. It is important to note that factory orders in July tend to be rather volatile, as factories often retool in July.

THURSDAY

The Commerce Department reported Thursday that durable goods orders (which are orders placed with U.S. manufacturers for long lasting manufactured goods) rose 4.2% in June, as compared to a 5.2% gain last May. Commercial aircraft orders, which are volatile from month to month, jumped 31.4%. Excluding autos and airplanes, durable goods orders were unchanged.

Initial jobless claims, regarded by many as a proxy for layoffs across the country, rose by 7,000 for the week ending July 20th, the Labor Department said Thursday. Economists surveyed by Dow Jones Newswires had expected 340,000 new claims would be filed. The original estimate of 334,000 new claimants during the week ending July 13th was revised slightly higher to 336,000.

FRIDAY

The improving economy helped boost consumer sentiment in July to its highest level in six years. The current conditions component was up considerably from June's reading, signaling a positive outlook for the economy in the near term. Inflation expectations were relatively unchanged with the 1 year outlook at 3.1 percent and the 5 year at 2.8 percent. The high level of confidence suggests that consumer spending should continue to expand in the coming year.

TIDBITS

Notwithstanding slowing sales growth during the second quarter, economists are predicting, the economy will expand more than 2% over the next 12 months, according to a survey undertaken by the National Association for Business Economics. Nearly 40% of respondents said they expect their employers to add to their payroll during the next six months.

QUOTE OF THE WEEK

My old father used to have a saying: If you make a bad bargain, hug it all the tighter.
- Abraham Lincoln

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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