

The Market Week in Review

For the Week Ending March 23, 2013

THE MARKETS

A volatile week in the stock market started in negative territory amid concerns over the bailout news in the country of Cyprus. On Wednesday the market turned positive after the Federal Reserve reaffirmed its plan to continue to bond purchases and record low interest rates, but renewed concerns over the Cyprus bailout dragged stocks back in the red on Thursday. Friday's strong gains were not enough to push stocks into positive territory for the week as the S&P 500 logged only its second losing week of the year and the Dow Jones snapped its four week winning streak.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	14,514.11	14,512.03	-2.08	-0.01%	10.74%
Nasdaq	3,249.07	3,245.00	-4.07	-0.13%	7.47%
S&P 500	1,560.70	1,556.89	-3.81	-0.24%	9.16%
Russell 2000	952.48	946.27	-6.21	-0.65%	11.41%

DAILY DEVELOPMENTS

MONDAY

The NAHB housing market index for March was down two points to 44 from February's 46. The index is now 6 points short of the 50 breakeven mark, indicating that more builders still describe conditions as bad rather than good. The National Association of Home Builders attributed the weakness to a shortage of available lots which is limiting new supply. The NAHB also continues to cite stringent credit standards as another factor limiting the market.

TUESDAY

Housing starts rebounded modestly in February, rising 0.8% to 917,000 on a seasonally adjusted annual basis, according to data released by the Census Bureau. The slight gain follows January's hefty 7.3% decline. More good news came in the form of an uptick in the number of applications for new construction permits. They rose to an adjusted annual rate of 946,000 last month, which is a new post-recession high.

WEDNESDAY

Following a meeting of the Federal Open Market Committee, the Federal Reserve said in a policy statement today that it is continuing with its "highly accommodative stance of monetary policy". That means that it will stay the course with its aggressive stimulus, buying \$85 billion of bonds a month. The Fed decided to keep its overnight lending rate at

near zero. It said it would keep it there "as long as the unemployment rate remains above 6.5 percent".

THURSDAY

Jobless claims rose slightly last week but remain near a five year low, the Labor Department reported on Thursday. More specifically, the number of new people applying for benefits rose 2,000 for the week through March 16th to a seasonally adjusted 336,000. But the four week average slipped under the 440,000 mark for the first time since early 2008.

The Conference Board's index of leading indicators increased by 0.5% for February, which matched January's reading and topped expectations. "This reading increases hope that [the economy] may pick up some momentum in the second half of the year," said Ken Goldstein, a Conference Board economist.

FRIDAY

There were no major economic announcements on Friday.

TIDBITS

According to a recent report from the Tax Foundation, the top 10% of taxpayers paid over 70% of the total amount collected in federal income taxes in 2010, the latest year available. That's up from 55% in 1986.

QUOTE OF THE WEEK

"Whales only get harpooned when they come to the surface, and turtles can only move forward if they stick their neck out, but investors face risk no matter what they do."

– **Charles A. Jaffe**, U.S. Financial Journalist

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 the current market conditions could impact your investments, please feel free to call us at the number listed below.

Best regards,

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