

## The Market Week in Review

For the Week Ending March 9, 2013

### THE MARKETS

Stocks shrugged off early worries about China's economy and the budget cuts to finish the day in positive territory for the first Monday gain of 2013. Boosted by upbeat non-manufacturing data, all the major indices soared on Tuesday and the Dow Jones Industrial Average broke through its 2007 levels to reach an all time high above 14,200. Stocks continued to rally for the remainder of the week amid more positive economic data and continued improvements in the labor market, with the Dow Jones reaching new all time highs each day and the S&P 500 ending the week within one percent of its all time high in 2007 of 1,565. All three major indices finished the historic week in the stock market up over 2 percent.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	14,089.66	14,397.07	307.41	2.18%	9.87%
Nasdaq	3,169.74	3,244.37	74.63	2.35%	7.45%
S&P 500	1,518.20	1,551.18	32.98	2.17%	8.76%
Russell 2000	914.73	942.50	27.77	3.04%	10.97%

### DAILY DEVELOPMENTS

#### MONDAY

There were no major economic announcements on Monday.

#### TUESDAY

The majority of the U.S. economy continues to show robust growth as suggested by the ISM's non-manufacturing index reading on Tuesday. The index beat expectations in February by increasing nearly one point to 56.0, and this following an already positive January number. The two month positive trend is also impacting employment, as non-manufacturing companies are hiring and monthly employment growth is increasing rapidly.

#### WEDNESDAY

Factory orders fell 2.0 percent in January following a 1.3 gain in December said the Commerce Department on Wednesday. However, the numbers for January and December were heavily skewed by volatility in aircraft orders. Excluding transportation equipment (which include aircraft orders) orders rose by 1.3 percent in January. The most positive aspect of the report was a 7.2 percent jump in new orders for capital goods, excluding aircrafts. This suggests a rapid increase in business investment during January.

#### *THURSDAY*

The Labor Department reported on Thursday that jobless claims declined unexpectedly last week by 7,000 to a seasonally adjusted 340,000, which is well below the Econoday forecast of a 15,000 increase. While initial claims are decreasing very slowly, they're now at their lowest level during the economic recovery. Continuing claims decreased by 37,000 to 3.122 million and the unemployment rate for insured workers fell to 2.4 percent, both of which are also at recovery lows.

The U.S. trade deficit expanded in January to \$44.4 billion from \$38.1 billion in December said the Department of Commerce on Thursday. The number came in above expectations of an increase in the trade gap to \$43.0 billion. The primary cause of the increase was the petroleum deficit which jumped to \$24.3 billion from \$18.6 billion in December. Overall exports declined by 1.2 percent following a gain of 2.2 percent in December, while imports increased 2.6 percent following a precipitous drop of 2.6 percent the month prior.

#### *FRIDAY*

The Labor Department reported on Friday that the U.S. jobs market improved more than expected in February by adding 236,000 jobs following an increase of 119,000 in January. The unemployment rate fell to 7.7 percent, down from 7.9 percent in January, and came in better than market expectations of 7.8 percent. Private payrolls also increased more than expected and posted gains of 246,000 in February versus the expectations of a 195,000 increase. Overall February's job report was positive and the continued improvements in the labor market are a positive sign for the economy.

#### **TIDBITS**

As of the close of trading on Friday the Dow was up nearly 9.9 percent for the year, which is well above its gain throughout all of 2012 of 7.3 percent.

#### **QUOTE OF THE WEEK**

Every portfolio benefits from bonds; they provide a cushion when the stock market hits a rough patch. But avoiding stocks completely could mean your investment won't grow any faster than inflation.

--Suze Orman

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](mailto:awillms@estatecounselors.com) or Garrett Alabado at [galabado@estatecounselors.com](mailto: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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