

# The Market Week in Review

For Week Ending November 23, 2013

## THE MARKETS

Comments made by activist investor Carl Icahn suggesting the market was headed for a major decline caused concern among investors but were not enough to prevent another week of strong gains in the stock market. Positive jobs and economic data trumped any concern that the Federal Reserve could curb its bond buying program as early as December. When all was said and done the S&P 500 finished above 1,800 for the first time and the Dow Jones posted its longest weekly winning streak in almost three years.

The dollar declined for the second straight week against a basket of major currencies. Oil finished the week positive with crude up 1.1 percent for the week. Gold prices declined 3.4 percent to \$1,244.60 an ounce.

Index	Started	Ended Week	Change	% Change	YTD %
DJIA	15,961.70	16,064.77	103.07	0.65%	22.59%
Nasdaq	3,985.97	3,991.65	5.68	0.14%	32.20%
S&P 500	1,798.18	1,804.76	6.58	0.37%	26.54%
Russell 2000	1,116.20	1,124.92	8.72	0.78%	32.44%

## DAILY DEVELOPMENTS

### MONDAY

The National Association of Home Builders (NAHB) housing market index came in at 54 in October, unchanged from the month prior. The six month outlook and present sales components remained strong at 60 and 58 respectively. However, the high end buyers appear to be driving the present sales component because the traffic component remained well below 50 at 42. By region, the West, South, and Midwest continue to show strength while the Northeast continues to lag.

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*TUESDAY*

Current Fed Chairman Ben Bernanke said on Tuesday that he supports his successor Jane Yellen's position on monetary stimulus. He indicated that the economy needs to improve further before the Fed tapers its current bond buying program, and said "the Federal Open Market Committee (FOMC) remains committed to maintaining highly accommodative policies for as long as they are needed."

*WEDNESDAY*

Inflation continues to remain low as indicated by the Consumer Price Index (CPI) report released on Wednesday. The headline number dropped 0.1 percent in October following an increase of 0.2 percent the month prior, and the core number (which excludes food and energy) increased by 0.1 percent. The drop in the headline number was led by declines in energy and gasoline prices of 1.7 and 2.9 percent respectively. Year over year CPI inflation declined to 0.9 percent from 1.2 percent in September, while the core rate remained at 1.7 percent.

The housing market appears to be slowing according to data released by the National Association of Realtors on Wednesday. It indicated that existing home sales have fallen for the past three months. Sales were down 3.2 percent in October to an annualized rate of 5.12 million, and the important single-family component was down 4.1 percent following a decline of 1.5 percent in September. Housing has sputtered during the second half of the year as low supply, rising rates, and slow jobs growth has hindered sales.

*THURSDAY*

Initial jobless claims fell by 21,000 last week to 323,000 and the four week average showed continued improvement by dropping 6,750 to 338,500. This marks the lowest level for initial claims since the government shut-down ended. Continuing claims increased sharply by 66,000 but the four week average showed continued improvement with a 20,000 decline. The unemployment rate for insured workers remained at 2.2 percent.

Similar to Wednesday's CPI report, producer price inflation (PPI) declined at the headline level while the core rate increased slightly. PPI declined 0.2 percent in October following a 0.1 percent decline the month prior and the core rate gained 0.2 percent after September's gain of 0.1 percent. Food prices increased 0.8 percent, energy fell 1.5 percent, and gasoline dropped 3.8 percent.

FRIDAY

There were no major economic announcements on Friday.

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**TIDBITS**

A recent article in *The Wall Street Journal* noted that “Hedge funds investing in stocks gained 11.3% through October, on average, compared with 25.3% by the S&P 500 index, including dividends, according to data tracker HFR.”

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**QUOTE OF THE WEEK**

Many shall be restored that are now fallen, and many shall fall that are now in honor.  
- Horace-Ars Poetica

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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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