

# The Market Week in Review

For Week Ending August 16, 2014

## 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

## THE MARKETS

The major equity indexes drifted higher throughout much of the week, although it was hard to determine the specific factors responsible for the gains. The week's flow of economic data was relatively thin, and several figures proved disappointing. Along with mixed economic data, international unrest pushed the yield on the 10 year Treasury note to its lowest level in over a year during the week. It appears that very low interest rates on bonds have heightened the relative appeal of stocks, while also helping shore up corporate balance sheets by reducing borrowing costs.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	16,553.93	16,662.91	108.98	0.66%	0.52%
Nasdaq	4,370.90	4,464.93	94.03	2.15%	6.90%
S&P 500	1,931.59	1,955.06	23.47	1.22%	5.77%
Russell 2000	1,131.35	1,141.65	10.30	0.91%	-1.89%

## DAILY DEVELOPMENTS

### MONDAY

There were no major economic announcements today.

### TUESDAY

The Treasury Department released its latest monthly budget statement on Tuesday. The statement showed a \$94.6 billion deficit in July, down slightly from a \$97.5 billion deficit in the same month a year ago, which is less than the \$96 billion deficit expected by economists. Year to date, the Treasury's deficit is about \$460.5 billion, down from \$680.2 billion at the same point a year ago.

The seasonally adjusted level of job openings was 4.7 million on June 30<sup>th</sup>, up from 4.6 million at the end of May, the Labor Department said Tuesday. Job openings have risen sharply this year, averaging 159,000 per month. Unemployed workers still exceeded openings by almost a 2 to 1 margin in June, but that's much improved from the 3 to 1 ratio a year earlier.

#### WEDNESDAY

Retail sales have disappointed for a second month in a row. The Commerce Department said Wednesday that retail sales were virtually unchanged from June's \$439 billion. Motor vehicle sales fell 0.2% from June. Excluding motor vehicles and parts, retail sales rose 0.1%. Economists had forecast 0.3% growth overall and 0.4% growth excluding autos.

In a separate report the Commerce Department announced that business inventories increased 0.4 percent after rising 0.5 percent in May. Economists polled by Reuters had forecast inventories would increase by 0.4 percent in June.

#### THURSDAY

Initial claims for state unemployment benefits increased 21,000 to a seasonally adjusted 311,000 for the week ended August 9<sup>th</sup>, the Labor Department said on Thursday. The four week average of claims, considered a better measure of labor market trends as it irons out week to week volatility, rose 2,000 to 295,750, which suggests the job market is continuing to improve. A Labor Department analyst said there were no special factors influencing the state level data.

The Labor Department said on Thursday import prices decreased 0.2 percent last month after June's unrevised 0.1 percent gain. Sluggish global demand appears to be keeping import inflation subdued, but domestic price pressures are rising. Export prices were unchanged in July after falling 0.4 percent in June. In the 12 months through July, export prices rose 0.4 percent.

#### FRIDAY

U.S. industrial production rose 0.4 percent in July, according to data released by the Federal Reserve on Friday. That matches the June increase, which was previously reported at 0.2 percent. Economists polled by Reuters had forecast industrial output rising 0.3 percent. Manufacturing output rose 1.0 percent, in what the Fed said was the largest increase since February. Economists expected a rise of 0.4 percent.

Also on Friday the Labor Department reported that its producer price index edged up 0.1 percent after a 0.4 percent rise in June. The increase was in line with economists' expectations.

---

## TIDBITS

While job growth has been continuing to improve in the United States since the recession, it comes at a cost. Workers are earning around 23% less than earnings from the jobs which were lost.

---

## QUOTE OF THE WEEK

"My formula for success is rise early, work late, and strike oil."  
- Paul Getty

---

I 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 me at [awillms@estatecounselors.com](mailto:awillms@estatecounselors.com). If you would like to discuss how current market conditions could impact your investments, please feel free to call me at the number listed below.

Best regards,

*Andy*

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

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

---

Important Disclosures: The information and statistics in this e-mail have been obtained from sources we believe to be reliable but are not guaranteed by us to be accurate or complete. Any and all earnings, projections, and estimates assume certain conditions and industry developments, which are subject to change. The opinions stated are those of Estate Counselors, LLC, but are not intended to be a substitute for personal investment advice. Services provided by Estate Counselors, LLC do not constitute legal services and are not being provided by Willms, S.C. law firm. Communications between Estate Counselors, LLC and its clients are therefore not covered by the attorney-client privilege, and as a result may be discoverable by third parties. All such communications are, however, covered by Estate Counselors, LLC's privacy policy, a copy of which is available on request. *Please let us know in a reply to this e-mail if you have received this message in error, or would like to discontinue receiving it.* Thank you.

---