

The Market Week in Review

For Week Ending February 22, 2014

THE MARKETS

A shortened trading week saw mixed results, as the Dow Jones and the S&P 500 indexes (which are comprised of large capitalization companies) finished the week lower, while the tech heavy Nasdaq and the small cap oriented Russell 2000 finished the week in the black. The economic data released during the week was also indecisive. Data regarding the housing market was particularly disappointing as harsh January weather took its toll. However investors welcomed more positive information regarding the manufacturing sector that was released later in the week.

Index	Started	Ended Week	Change	% Change	YTD %
DJIA	16,154.39	16,103.30	-51.09	-0.32%	-2.86%
Nasdaq	4,244.03	4,263.41	19.38	0.46%	2.08%
S&P 500	1,838.63	1,836.25	-2.38	-0.13%	-0.66%
Russell 2000	1,149.21	1,164.63	15.42	1.34%	0.09%

DAILY DEVELOPMENTS

MONDAY

There were no major economic announcements on Monday. The stock market was closed in honor of President's Day (more correctly referred to as George Washington's birthday).

TUESDAY

The National Association of Home Builders Housing Market Index, which tracks builder confidence for the market for newly-built, single-family homes, dropped 10 points from January, to 46, with a score of 50 considered to be average. Once again adverse weather conditions across most of the country is being blamed for a decline in buyer traffic last month. However, the report also noted that builders have additional concerns about meeting ongoing and future demand due to a shortage of vacant lots and labor.

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

WEDNESDAY

Data released by the Housing Department showed new housing starts plummeted by 16.0 percent in January to an 880,000 annual unit rate. Starts of single-family homes fell 15.9 percent to 573,000 with condos similarly in line, down 16.3 percent to 307,000. Permits for new construction, which are less affected by weather, fell 5.4 percent to 937,000 units. Permits for construction of single-family homes were down only 1.3 percent, but permits for new condo construction fell by 12.1 percent. While weather was certainly a major cause for the decline, there also appears to be some weakening in housing market fundamentals, such as higher mortgage rates and rising house prices that are pushing up costs to potential buyers.

A report released by the Labor Department showed little inflation in the prices paid by the nation's farms. Factories and refineries remained very tame in January. The seasonally adjusted producer price index rose by 0.2 percent last month. The same index rose by just 0.1 percent in December.

THURSDAY

The Labor Department weekly jobs report indicated that new filings for unemployment benefits fell 3,000 to a seasonally adjusted 336,000 for the week ending February 15th. More significantly, new claims fell more than 8% last week vs. the same time last year, suggesting the improvement in the labor market continues.

In a second report released Thursday the Labor Department reported that the consumer price index advanced to a seasonally adjusted 0.1% in January from December. Consumer prices increased by 1.6% as compared to a year ago. That was the biggest year-over-year gain in six months.

FRIDAY

The National Association of Realtors reported on Friday that sales of existing U.S. homes declined by 5.1% in January to a seasonally adjusted annual rate of 4.62 million units last month. That was down 5.1 percent from December's sales pace. Cold weather, higher interest rates and rising prices have all contributed to a slowdown in home buying in five of the past six months.

TIDBITS

According to the Congressional Budget Office President Barack Obama's proposal to increase the minimum wage to \$10.10 an hour would result in higher income for 16.5 million workers, but 500,000 jobs will be lost. The CBO also estimates that about 900,000 people would be lifted out of poverty because of increased pay.

QUOTE OF THE WEEK

"The engine which drives Enterprise is not Thrift, but Profit."
John Maynard Keynes

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. 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

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.
