ESTATE COUNSELORS, LLC

ASSET MANAGEMENT

The Market Week in Review

For Week Ending January 25, 2014

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THE MARKETS

The U.S. stock market took it on the chin this week, with the S&P recording its largest weekly loss since 2012 and the Dow Jones Industrial Average ending the week dropping around 318 points on Friday alone. As a result, the S&P 500 and the Dow Jones finished the week below 1,800 and 16,000, respectively. All of the major indexes moved into negative territory for the year to date as investors worried about signs of a slowdown in the global economy.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	16,458.56	15,879.11	-579.45	-3.52%	-4.21%
Nasdaq	4,197.58	4,128.17	-69.41	-1.65%	-1.16%
S&P 500	1,838.70	1,790.29	-48.41	-2.63%	-3.14%
Russell 2000	1,168.43	1,144.13	-24.30	-2.08%	-1.68%

DAILY DEVELOPMENTS

MONDAY

All markets were closed on Monday in observance of the Martin Luther King Jr. holiday.

TUESDAY

The Bank of Japan board voted to continue its annual increase in Japan's monetary base by 60 trillion to 70 trillion yen a year in its effort to end deflation and bring inflation to 2% within two years. Japan's central bank is standing by a forecast that core consumer prices in Japan will increase by 1.9% beginning in April 2015. It has also dropped a warning that the economy faces "uncertainty".

WEDNESDAY

Treasury Secretary Jack Lew informed Congress that the U.S. government will run out of money by the end of February if the national debt limit isn't raised before then. Moreover, Lew's letter to Congressional leaders warned that it will be difficult for the Treasury to continue to pay the country's bills after February 7th, which is the projected date that the nation's debt cap is officially projected to be hit, primarily as a result of increased tax refunds due in February.

THURSDAY

Initial jobless claims edged up by 1,000 for the week ended January 18th, the Labor Department said Thursday. The four week average for new claims, considered a better measure of underlying labor market conditions, fell 3,750 to 331,500. Taken as a whole Thursday weekly data suggests that the labor market may not have softened as much as some had feared after reviewing the Labor Department's monthly labor report for last December, which was released last week.

Sales of previously owned homes rose 1 percent last month to an annual rate of 4.87 million units, according to a report released on Friday by the National Association of Realtors. December sales were nonetheless slower than had been expected due in large part to sales declines in the Northeast and the Midwest which can be attributed at least in part to the frigid weather experienced there as of late.

Also on Thursday, financial data firm Markit said its preliminary U.S. Manufacturing Purchasing Managers Index fell to 53.7 from 55.0 in December. A reading above 50 indicates expansion in the manufacturing sector. Some cooling off in manufacturing has been expected in light of the strong growth registered in the fourth quarter.

FRIDAY

There were no major economic announcements on Friday.

TIDBITS

Many people saving for retirement are dangerously uninformed about bond investment, according to a survey by State Street Global Advisors. A third of respondents say bonds reduce the vulnerability of their savings to inflation. In reality in most cases just the opposite is true. Inflation tends to decrease the value of bonds (with the biggest exception to the rule being inflation-linked bonds such as TIPs).

QUOTE OF THE WEEK

"Nothing in fine print is ever good news."
- Andy Rooney, American radio and television writer (1919-2011).

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

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