

# The Market Week in Review

For Week Ending November 8, 2014

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## THE MARKETS

Economic data released this week had minimal impact on stock prices, yet equities continued to steadily march higher after the recent selloff. Potential monetary policy stimulus in Europe also contributed to the week's gain. Both the Dow and S&P closed the week at fresh all-time highs while the NASDAQ and Russell 2000 finished the week flat. Amidst a prolonged downtrend, gold closed modestly higher for the week after spiking 2.8 percent on Friday on news that large traders were betting that the price of gold will be heading higher in the weeks to come.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	17,390.52	17,573.93	183.41	1.05%	6.02%
Nasdaq	4,630.74	4,632.53	1.79	0.04%	10.92%
S&P 500	2,018.05	2,031.92	13.87	0.69%	9.93%
Russell 2000	1,173.51	1,173.32	-0.19	-0.02%	0.83%

## DAILY DEVELOPMENTS

### MONDAY

The Institute for Supply Management reported on Monday that its manufacturing index jumped to 59% in October, up from 56.6% in the prior month. Readings over 50% indicate more companies are expanding instead of shrinking. The ISM's new orders index climbed 5.8 points to 65.8%. The production index edged up 0.2 points to 64.8%, while the employment gauge increased 0.9 points to 55.5%.

By comparison, construction spending dropped 0.4 percent in September compared to August, according to data released by the Commerce Department. After four straight monthly declines, housing construction edged up 0.4 percent in September but nonresidential building fell 0.6. Government construction was also down, falling 1.3 percent.

Sales of cars and light trucks grew slightly in October, to a 16.5 million annual pace vs. 16.4 million in September. Sales of North American made vehicles led October, rising to a 13.3 million rate from September's 13.2 million. Foreign made sales slowed slightly to 3.2 million.

#### *TUESDAY*

The Commerce Department said on Tuesday the trade gap increased 7.6 percent to \$43.03 billion, ending four straight months in which the deficit had narrowed. Exports declined 1.5 percent in September, following a rise of 0.3 percent in August. Imports were unchanged, following a 0.1 percent uptick the month before.

In another report, the Commerce Department said orders for factory goods fell for a second straight month in September, declining 0.6% to \$499.4 billion. The durable goods component declined by 1.1%. The non-durables component was unchanged.

#### *WEDNESDAY*

The Institute for Supply Management said its services index fell to 57.1 last month from 58.6 in September, drifting further from the index's post-recession high of 59.6 recorded last August. A reading above 50 indicates expansion, and October's level was nearly a full standard deviation above the series historic average of 54. ISM's index of business activity fell to 60 from 62.9 in September, while ISM's employment index rose to 59.6, the highest since August 2005.

#### *THURSDAY*

U.S. jobless claims fell last week to 279,000 and the four week moving average hit its lowest level since April 2000. This jobless claim report shows that the number of layoffs is decreasing while the climate is improving for job seekers as the labor market continues to improve. Some analysts said the pick-up in wage growth moved the Federal Reserve closer to start raising interest rates.

#### *FRIDAY*

Nonfarm payrolls increased by 214,000 in October, which was below expectations of 240,000. However, the unemployment rate dropped for the second month in a row and it is now 5.8%. Contributing to the mixed report, hourly wages increased a meager 0.01 percent while the participation rate remains near 36 year lows. Overall, this report continues to indicate an improving jobs market, albeit very slowly improving.

## TIDBITS

Due to hyperinflation, a loaf of bread in Berlin sells for about 140 Billion German Marks on November 3, 1923.

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## QUOTE OF THE WEEK

"The trick is to stop thinking of it as your money."  
- An IRS Auditor

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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*

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