

The Market Week in Review

For Week Ending September 27, 2014

THE MARKETS

After making all-time highs last Friday, large cap stocks gave back their gains during a week of heightened market volatility. Small caps also continued a slide that began at the onset of the month with the Russell 2000 being the hardest hit of the major indices, skidding 2.41% for the week. Bonds enjoyed a small reprieve from the declines they've seen as the Vanguard Total Bond Market ETF (BND) managed to gain 0.27% on the week. Gold also managed to halt its recent declines ending the week flat. The U.S. dollar saw continued strength, and moved higher by 1.6%, as measured against a basket of other currencies.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	17,279.74	17,113.15	-166.59	-0.96%	3.24%
Nasdaq	4,579.79	4,512.19	-67.60	-1.48%	8.04%
S&P 500	2,010.40	1,982.85	-27.55	-1.37%	7.28%
Russell 2000	1,146.92	1,119.33	-27.59	-2.41%	-3.81%

DAILY DEVELOPMENTS

MONDAY

Existing home sales declined by 1.8 percent in August to a lower than expected annual rate of 5.05 million vs. the 5.18 million economists had been expecting. Year-on-year, sales are down 5.3 percent, as compared to 4.5 percent during the prior month. Limited supply has been a major factor holding down sales with supply on the market falling 40,000 homes in August to 2.31 million. The inventory of existing homes for sale remained at 5.5 months.

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TUESDAY

The World Trade Organization said Tuesday that it now expects global trade will expand more slowly than originally expected. It cut its growth forecast for this year to 3.1% from 4.7% and lowered its projection for 2015 to 4% from 5.3%, which is well below the world's 20 year average of 5.2%.

WEDNESDAY

Sales of new homes in the U.S. rose to an annual rate of 504,000 in August, the Commerce Department reported on Wednesday. That is the fastest pace in six years and 18% above July's revised total of 427,000.

THURSDAY

U.S. unemployment benefit applications increased by 12,000 last week, reaching 293,000. However, the four week rolling average, viewed as a better benchmark, declined for the second week in a row. The total number of people receiving benefits ticked up by 7,000 to 2.4 million. A year ago, 3.9 million people were receiving unemployment aid.

Durable goods orders declined 18.2% in August, a record decline but in-line with expectations after July's historic increase. Excluding transportation, durable goods orders rose 0.7% in August, up from a -0.8% decline in July.

FRIDAY

The U.S. Commerce Department reported on Friday that the U.S. economy grew at its strongest rate in 2 1/2 years during April, May, and June. The final revision to its second quarter estimate of the nation's GDP showed an upward revision to 4.6 percent from the prior estimate of 4.2 percent. That represents a sharp rebound from the first quarter decline of 2.1 percent. The revision matched expectations. Upward revisions primarily came from nonresidential fixed investment, residential investment, and exports.

TIDBITS

The Treasury Department issued rules aimed at eliminating tax advantages U.S. corporations can gain by reincorporating in foreign jurisdictions, a practice known as tax inversion. Treasury Secretary Jack Lew said changes to five sections of the federal tax code would reduce the economic benefits of inversions and in some cases block them.

QUOTE OF THE WEEK

Success is a few simple disciplines, practiced every day; while failure is simply a few errors in judgment, repeated every day.
- Jim Rohn

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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