ESTATE COUNSELORS, LLC

ASSET MANAGEMENT

The Market Week in Review

For Week Ending August 1, 2015

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

Stocks ended both the week and the month of July higher following the S&P's first five-day selloff since May of 2012. Although the Commerce Department's first estimate of the nation's second quarter GDP was lower than expected, strong corporate earnings gave market participants enough ammunition to bid equities higher. Interest rates eased for the third week in a row and the yield on the 10 Year Treasury Note closed at 2.20 percent. Commodities continued to slide with crude oil dropping below $47 per barrel and gold closing at $1,050 per ounce.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	17,568.53	17,690.46	121.93	0.69%	-0.74%
Nasdaq	5,088.63	5,128.28	39.65	0.78%	8.28%
S&P 500	2,079.65	2,103.92	24.27	1.17%	2.19%
Russell 2000	1,225.99	1,238.68	12.69	1.04%	2.82%

DAILY DEVELOPMENTS

MONDAY

Orders for durable goods jumped 3.4 percent in June from May the Commerce Department reported Monday. However, the jump was driven primarily by aircraft orders. Orders for core capital goods - a reflection of business investment - rose a mild 0.9% in June following two straight declines. Shipments of core capital goods, a category used to help determine quarterly economic growth, slid 0.1% last month and have declined in the first two months of the second quarter.

TUESDAY

The Conference Board's Consumer Confidence Index dipped to 90.9 in July, missing estimates. The reading marked the Index's lowest level since September 2014. The index declined substantially from June's original estimate, which had been reported at 101.4. "A less optimistic outlook for the labor market, and perhaps the uncertainty and volatility in financial markets prompted by the situation in Greece and China, appears to have shaken consumers' confidence" accordingly to Lynn Franco, Director of Economic Indicators at The Conference Board.

WEDNESDAY

The Federal Reserve left its key rate in a range of 0% to 0.25%, where it has been since the depths of the Great Recession more than six years ago. However, the minutes released Wednesday from the Open Market Committee's meeting indicate the U.S. central bank is slightly more upbeat about the economy and provided more evidence that an interest rate hike will occur at one of this year's three remaining meetings.

THURSDAY

New applications for unemployment benefits rose 12,000 to a seasonally adjusted 267,000, the Labor Department said Thursday. However the total remains at a very low level. The four week average, a less volatile figure that is a better measure of underlying trends, dropped 3,750 to 274,750. The number of people receiving benefits rose by 46,000 to 2.26 million but has declined by 11.2 percent in the past year.

The Commerce Department said Thursday that the nation's gross domestic product grew at a 2.3 percent annual rate in the second quarter. Consumer spending, which accounts for 70 percent of economic activity, expanded at an annual rate of 2.9 percent and was up sharply from the 1.8 percent growth recorded in the first quarter. Housing construction remained the bright spot in the second quarter, rising at a 6.6 percent rate.

Mortgage giant Freddie Mac said Thursday the average rate on a 30-year fixed-rate mortgage declined to 3.98 percent this week from 4.04 percent a week earlier. The rate on 15-year fixed-rate mortgages declined to 3.17 percent from 3.21 percent.

FRIDAY

Labor costs in the U.S. increased just 0.2 percent in the second quarter, the lowest rate of increase in the 33 years this data has been tracked, according to the Employment Cost Index released by the Labor Department. The report came as a shock to economists who had predicted a 0.6 percent increase. The Index is widely viewed as one of the better measures of labor market slack, although this particular report was quickly dismissed by commentators as a temporary setback in a broadly improving labor market.

MARKET RISK REPORT

Estate Counselors, LLC monitors a number of forward looking economic indicators in an effort to identify when the risks of a market bubble or adverse economic conditions are increasing. A report summarizing our analysis of these indicators as of the end of July 2015 has been posted to our website. For your convenience, we have also attached a copy to this week's Market Commentary.

TIDBITS

Treasury Secretary Jack Lew told Congress on Wednesday that the U.S. may be unable to pay its bills until after October 30th, unless Congress raises the debt limit before then. The U.S. actually hit its statutory debt limit on March 16th, at which point the Treasury began utilizing special measures to keep the country solvent.

QUOTE OF THE WEEK

"Your time is limited, so don't waste it living someone else's life."
- Steve Jobs

I hope you have found the information in this week's market summary informative. 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

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