ESTATE COUNSELORS, LLC

ASSET MANAGEMENT

# The Market Week in Review

**For Week Ending July 11, 2015**

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## THE MARKETS

After a tumultuous week of trading centered on the debt crisis in Greece and a faltering Chinese economy, domestic equities managed to finish close to where they started. The small cap Russell 2000, which has little exposure abroad, was the strongest performer, tacking on 0.3 percent. China's troubles led to volatility in commodity prices because China is not only the world's biggest producer of raw materials, but also the biggest consumer of them. Oil prices declined nearly 5 percent as inventory levels continue to grow. The International Energy Agency predicts that global oil demand will continue to slow going into 2016. After briefly plunging to 2.19 percent, the yield on the 10 Year Note spiked to end the week two tenths higher at 2.42 percent.

| Index | Started Week | Ended Week | Change | % Change | YTD % |
|---|---|---|---|---|---|
| DJIA | 17,730.11 | 17,760.41 | 30.30 | 0.17% | -0.35% |
| Nasdaq | 5,009.21 | 4,997.70 | -11.51 | -0.23% | 5.52% |
| S&P 500 | 2,076.78 | 2,076.62 | -0.16 | -0.01% | 0.86% |
| Russell 2000 | 1,248.26 | 1,252.02 | 3.76 | 0.30% | 3.93% |

## DAILY DEVELOPMENTS

*MONDAY*

The Institute for Supply Management reported Monday that its index of U.S. service oriented businesses increased modestly from 55.7 in May to 56.0 in June. A reading above 50 indicates expansion in the sector. The ISM's new orders index rose to 58.3 from 57.9, the exports index fell from 55.0 to 52.0, and the employment index declined to 52.7 from 55.3.

*TUESDAY*

Figures released by the Commerce Department on Tuesday revealed that the U.S. trade deficit expanded 2.9% in May compared with April, reaching $41.9 billion, as a strengthening dollar made selling U.S. products abroad more difficult. May had the biggest drop in export volume in three months. Exports declined to $188.6 billion from $190.1 billion in April as European and Chinese economies struggled, although a pickup in U.S. sales of oil products and chemicals offset some of the decline in other sectors. Excluding petroleum, the deficit increased by 6.5 percent in May. Imports were little changed at $230.5 billion in May from $230.8 billion in the prior month.

*WEDNESDAY*

Minutes released Wednesday from the June Federal Reserve's Open Market Committee meeting indicated that a majority of Committee members are unready to abandon its policy of keeping the rate it charges banks on loans near zero, which began in late 2008. "While participants generally saw the risks to their projections of economic activity and the labor market as balanced, they gave a number of reasons to be cautious in assessing the outlook," according to the minutes.

*THURSDAY*

Initial jobless claims missed expectations, climbing above the consensus of 276,000 to 297,000 for the week of July 4th. However, claims have been stable for the past four months and this is still considered a relatively low level. The holiday shortened week also makes this number volatile and difficult to adjust. Continuing claims also jumped by 69,000 to 2.3 million in lagging data for the week of June 27th.

*FRIDAY*

There was no major economic news on Friday.

## TIDBITS

The New York Stock Exchange abruptly shut down at 11:32 a.m. EDT on Wednesday and remained down for almost four hours, unnerving investors. NYSE President Thomas Farley said the problem "likely had to do with an upgrade, but that is premature, and it's something that will come about as part of a full analysis of the situation."

## QUOTE OF THE WEEK

"There are no buyers, only sellers."
- Francis Cheung, a market analyst at a brokerage house in China, where the government has stepped in to prop up the stock market.

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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*

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