ESTATE COUNSELORS, LLC

ASSET MANAGEMENT

The Market Week in Review

For Week Ending June 13, 2015

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THE MARKETS

The equity markets struggled finding a direction this past weekend as investors debated how to respond to positive news on the U.S. economy. Some investors saw the news as reassurance that the U.S. bull market would continue, while others feared that the improving economic picture would allow the Federal Reserve to finally push interest rates higher, which could mean trouble for the U.S. stock and bond markets.

Meanwhile the strong performance of equity markets over the past several years has caused many investors to question whether fixed income investments belong in their portfolio. Those concerns are growing as the prospects for rising interest rates and declining bond prices would appear to be increasing. Those concerns didn't stop bond prices from rising this past week however, as the U.S. 10 year Treasury bond yield dropped 0.02% to 2.39%. Gold prices also rose about 1%, closing the week at $1,179.20 an ounce and registering its first weekly gain in a month.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	17,849.46	17,898.84	49.38	0.28%	0.43%
Nasdaq	5,068.46	5,051.10	-17.36	-0.34%	6.65%
S&P 500	2,092.83	2,094.11	1.28	0.06%	1.71%
Russell 2000	1,261.01	1,265.02	4.01	0.32%	5.01%

DAILY DEVELOPMENTS

MONDAY

There were no major economic announcements on Monday.

TUESDAY

The Labor Department issued its monthly Job Openings and Labor Turnover ("JOLT") survey on Tuesday. It indicated that job openings rose by 5.2% to 5.376 million in April, which is way more than most economists had expected, and the highest number of job openings since the survey was launched in 2000.

WEDNESDAY

The Treasury Department said Wednesday that the May deficit decreased to $82.4 billion, down from a deficit of $130 billion in May 2014. For the first eight months of this budget year, which began October 1st, the deficit totals $365.2 billion, down 16.3 percent from the same period last year. The decline in the deficit year to date reflects improved tax receipts due to an improving economy. The Congressional Budget Office is forecasting that the deficit for the full year will total $486 billion, a very slight decline from last year's deficit of $483.4 billion.

THURSDAY

The Labor Department said Thursday that weekly applications for jobless aid increased 2,000 to a seasonally adjusted 279,000. The four week average, a less volatile measure, rose 3,750 to 278,750. The number of people receiving benefits rose 61,000 to 2.27 million. Notwithstanding the slight increases, from a historic perspective the labor market is clearly improving.

Also on Thursday, the Commerce Department said retail sales rose 1.2 percent in May, as Americans bought more cars, building materials, and clothes. Excluding volatile categories such as gas, autos, restaurants and building materials, sales rose a healthy 0.7 percent.

FRIDAY

The Labor Department said on Friday its producer price index for final demand increased 0.5 percent last month, the largest gain since September 2012. That followed a 0.4 percent decline in April. A strong dollar has resulted in a year over year decline in PPI of 1.1 percent. The dollar has gained about 13.2 percent against a basket of foreign currencies since June 2014.

The University of Michigan's consumer sentiment index rose to 94.6 in early June from 90.7 in May, with households expecting the largest wage gains since 2008. Consumers also expect inflation to remain low over the foreseeable future.

TIDBITS

U.S. CEOs are scaling back forecasts of economic growth this year. The Business Roundtable's second-quarter survey says CEOs expect 2.5% expansion in gross domestic product, down from 2.8% in the previous survey.

QUOTE OF THE WEEK

"In the short run, the market is a voting machine, but in the long run it is a weighing machine."
- Economist Ben Graham, who is considered by many to be the father of value investing.

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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