ESTATE COUNSELORS, LLC

ASSET MANAGEMENT

The Market Week in Review

For Week Ending June 20, 2015

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THE MARKETS

The Nasdaq, led by biotech stocks that are on the rebound, pushed through its previous all-time intraday high set back in March of 2000 to close in record territory during the week. In fact, stocks as a whole moved higher on the heels of an announcement from the Fed that there will be no immediate hike in interest rates. Profit taking and worries about the debt crisis in Greece ultimately caused the equity rally to cool off heading into the weekend, but the major indices finished the week with gains. Bond prices also rose, causing the yield on the 10-year Treasury note to close the week at 2.26 percent. The U.S. dollar weakened in response to the Fed's announcement, which in turn sent the price gold higher to $1,200 an ounce. An increase in gasoline inventories put pressure on crude oil prices, which once again closed below $60 per barrel.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	17,898.84	18,015.95	117.11	0.65%	1.08%
Nasdaq	5,051.10	5,117.00	65.90	1.30%	8.04%
S&P 500	2,094.11	2,109.99	15.88	0.76%	2.48%
Russell 2000	1,265.02	1,284.66	19.64	1.55%	6.64%

DAILY DEVELOPMENTS

MONDAY

Industrial output fell 0.2 percent in May after a revised 0.5 percent drop in April, the Federal Reserve said on Monday. The manufacturing output component slipped 0.2 percent after gaining 0.1 percent in April, while mining production declined 0.3 percent as oil and gas well drilling fell 7.9 percent. The strength of the U.S. dollar and deep spending cuts in the energy sector have taken a toll on U.S. industrial production.

The National Association of Home Builders/Wells Fargo housing market index for June rose to 59.0 from 54.0 in May. That's the index's highest reading in 6 months. A level above 50.0 indicates a favorable outlook on home.

TUESDAY

Housing starts dropped 11.1 percent in May to a seasonally adjusted annual pace of 1.04 million units, the Commerce Department said on Tuesday. However, April starts were revised up to a 1.17 million-unit rate, the highest since November 2007. The month over month decline most-likely resulted from poor weather in parts of the country combined with a record number of starts in April. Overall, the data released Tuesday suggests the U.S. housing market continues to improve.

WEDNESDAY

Officials at the nation's central bank voted unanimously to leave the benchmark federal funds rate unchanged at zero during their regular policy meeting in Washington. But their own economic forecasts show most believe they will raise it for the first time in nearly a decade sometime this year, according to documents released Wednesday. In its official policy statement, the Fed pointed out that the economy is creating jobs at a faster clip, the housing sector is improving, and that consumers are spending moderately more money. The central bank also acknowledged that businesses have been wary of investing and exports are weak.

THURSDAY

The Consumer Price Index indicated that price inflation increased 0.4 percent in May, a soft reading below the 0.5 increase that was forecast by economists. Stripping out the volatile food and energy component, prices increased only 0.1 percent. Year over year prices are completely flat. These numbers don't give the Fed quite the ammunition they are looking for in order to raise interest rates.

Initial claims for unemployment benefits for the week on June 13th dropped back down by 12,000 to 267,000 beating the consensus number of 275,000. Continuing claims for the prior week dropped 50,000 to 2.22 million. Both readings are a positive indicator for the economy and there are no special factors in the report that may skew the numbers.

General business conditions improved markedly in June, according to a report released by the Philadelphia Fed. New orders spiked to 15.2, signaling the first real sign of strength in the manufacturing sector all year. Increases were also seen in shipments and the employment component saw a small increase as well.

FRIDAY

There was no major economic news on Friday.

RECOMMENDED READING

One of the repercussions to rising interest rates could be a return of more normal levels of volatility to U.S. stock and bond markets. This week's article considers how investors will respond to increased market volatility after the relative calm that has been experienced during the last several years.

TIDBITS

The Federal Reserve's Open Market Committee now expects the economy to grow this year between 1.8 percent and 2 percent. In March, they had predicted growth of 2.3 percent to 2.7 percent.

QUOTE OF THE WEEK

"Kindness is not about instant gratification. More often, it's akin to a low-risk investment that appreciates steadily over time."
- Josh Radnor

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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