ESTATE COUNSELORS, LLC

ASSET MANAGEMENT

The Market Week in Review

For Week Ending March 28, 2015

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THE MARKETS

It was a rough week for stocks as equities gave back recent gains and the S&P 500 returned to the same level it was before rallying last week on the Federal Reserve's announcement suggesting it would not be pushing rates higher in the short term. Bonds also moved slightly lower sending interest rates marginally higher with the 10 Year Treasury Note yielding 1.95 percent. Saudi air strikes in Yemen briefly sent the price of crude oil above $50 dollars a barrel, although continuing oversupply pressures ultimately eased speculators' concerns and brought the commodity back below that level by week's end. Gold logged a second week of gains as the dollar's strength has recently abated modestly.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	18,127.65	17,712.66	-414.99	-2.29%	-0.62%
Nasdaq	5,026.42	4,891.22	-135.20	-2.69%	3.28%
S&P 500	2,108.10	2,061.02	-47.08	-2.23%	0.10%
Russell 2000	1,266.37	1,240.41	-25.96	-2.05%	2.96%

DAILY DEVELOPMENTS

MONDAY

The National Association of Realtors announced Monday that existing home sales rose 1.2 percent in February to an annual rate of 4.88 million units. The increase was much less than the 4.90 million unit increase a pre-announcement survey of economists had predicted and failed to offset January's 4.9 percent drop. A shortage of new homes offered for sale is being blamed for the slowdown in new home sales.

The Chicago Fed National Activity Index dipped to -0.11 in February from -0.10 in January. Any reading below zero indicates U.S. economic growth is running below its historic trend. The three month moving average, designed to smooth out month-to-month volatility, fell to -0.08 from +0.26 in January.

TUESDAY

The Commerce Department said Tuesday that sales of single family homes rose to a seasonally adjusted annual rate of 539,000, an increase of 7.8% from January. February's annual rate was the highest since February 2008. In addition, January's sales rate was revised up to 500,000 from the original estimate of 481,000. The last time new home sales had back-to-back months with rates at or above 500,000 was in April-May 2008.

Also on Tuesday the Labor Department announced its Consumer Price Index increased 0.2 percent in February after declining 0.7 percent in January. February's increase ended three straight months of declines in the index. Gasoline prices rose for the first time since June and core CPI, which strips out food and energy, also rose 0.2 %, the same as January. On a year over year basis CPI was unchanged after slipping 0.1 percent in January.

WEDNESDAY

A report from the Commerce Department on Wednesday showed orders for durable goods such as cars, appliances and computers fell 1.4% in February. That made February the third monthly decline in four months. Core capital goods, which serves as a proxy for business investment plans, fell 1.4 percent, for it's the sixth straight monthly decline. In addition, the prior estimate of January's durable goods orders was lowered from a 2.8% increase to just 2%.

U.S. crude oil inventories grew by 8.2 million barrels, according to data compiled by the U.S. Energy Information Administration. The increase brings the total amount of crude the U.S. has in storage to 466.7 million barrels, a record in weekly data stretching back to 1982. In monthly data, crude oil inventories are at the highest level since 1930.

THURSDAY

The Labor Department said unemployment claims dropped 9,000 last week, to 282,000. The four week average, a less volatile measure, fell by 7,750 to 297,000. Over the last 12 months, the average has fallen roughly 7 percent. The report suggests that a recent slump in U.S. retail sales, housing starts, and manufacturing isn't producing layoffs and that the economic recovery could be gaining momentum.

FRIDAY

The third and final reading for fourth quarter 2014 GDP was unrevised at 2.2 percent, missing an expected increase to 2.4 percent and well below the 5 percent pace of growth in the third quarter and the 4.6 percent rate in the second quarter. While the headline number was disappointing, readings on consumption, housing, and business investment were revised higher, suggesting that the private sector is accelerating and gathering strength.

The University of Michigan's monthly survey of consumer sentiment was also released on Friday. It showed a small dip to 93 in March from 95.4 in February, but that was slightly better than experts had expected.

TIDBITS

"The average bull market since 1932 lasted about five years and delivered an average gain of 232%. Other studies suggest that the average bull market since 1871 has lasted approximately 5.6 years and delivered 178% in gains. Today's bull market has lasted six years and returned about 191%. In terms of duration and magnitude, today's bull market is longer and larger than the average. It is tempting to assume that this bull market has run its course, but the historical record demonstrates otherwise. Three bull markets starting in 1949, 1975, and 1988 each lasted more than 12.5 years and returned about 440% (on average)."

- Ron Rimkus, CFA, Director, Economics and Alternative Investments, CFA Institute

QUOTE OF THE WEEK

"The world hates change, yet it is the only thing that has brought progress."
- Charles Kettering

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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