

The Market Week in Review

For Week Ending March 7, 2015

THE MARKETS

Stocks finished lower for the week in response to the increasing likelihood that the Fed will raise rates sometime later this year. The week's losses were almost entirely attributed to a selloff on Friday when the Dow lost 278 points after a stronger than expected jobs report which signaled that the economy may be gaining strength at a quicker than anticipated clip. The selloff in response to better than expected economic news can be explained by traders concerns that the growing labor market will allow the Federal Reserve to raise interest rates sooner than some have been expecting. Treasuries also sold off on the news, pushing the yield on the 10-Year Note to 2.24 percent. Higher interest rates resulted in an even stronger dollar, which sent the price of gold plummeting over 3 percent for the week to its lowest level of the year.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	18,132.70	17,856.78	-275.92	-1.52%	0.19%
Nasdaq	4,963.53	4,927.37	-36.16	-0.73%	4.04%
S&P 500	2,104.50	2,071.26	-33.24	-1.58%	0.60%
Russell 2000	1,233.37	1,217.52	-15.85	-1.29%	1.06%

DAILY DEVELOPMENTS

MONDAY

Personal spending fell to a seasonally adjusted 0.2 percent in January according to a report released by the Commerce Department on Monday. Americans' personal income, which reflects money collected from wages, investments, and government aid, increased by a less-than-expected 0.3 percent. The price index for personal consumption expenditures fell 0.5 percent from December. Excluding volatile food and energy components, so-called "core" prices were up 1.3 percent over the year.

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 Institute for Supply Management (ISM) said its index of national factory activity fell to 52.9 from 53.5 the month before. The reading was shy of expectations of 53.1, according to a Reuters poll of economists, and was the lowest reading since January 2014. However the index remained above 50, which is considered to be a signal of expansion in the manufacturing sector.

TUESDAY

Total U.S. auto sales rose 5.3 percent to 1,257,619 vehicles in February, according to research firm Autodata. Analysts surveyed by Reuters had expected an increase of 7.1 percent. The annualized sales rate in February was 16.23 million vehicles, which is far below the 16.7 million that economists polled by Thomson Reuters had expected.

WEDNESDAY

The Institute for Supply Management's non-manufacturing index increased ever so slightly to 56.9 in February the Tempe, Arizona based group said Wednesday. (Readings above 50 signal expansion.) The index finished January at 56.7. As in the case of the group's factory survey, more respondents noted delays in shipments caused by a worker slowdown at West Coast ports.

The Federal Reserve's most recent Beige Book was released on Wednesday. The survey of businesses from each of the 12 Federal Reserve districts on the economic conditions that is published ahead of policy meetings suggests that U.S. recovery has continued year to date despite a stronger dollar, plunging crude oil prices, and an unusually cold winter weather.

THURSDAY

The Labor Department reported Thursday that initial claims for state unemployment benefits rose by 7,000 to a seasonally adjusted 320,000 for the week ended February 28th. It was the second consecutive week of increases. The four week moving average of initial claims rose 10,250 to 304,750. While the Labor Department cited no special factors influencing the data, cold and snowy weather in February and a strike by petroleum refinery workers surely contributed to the increases.

Data released by the Commerce Department indicates that new orders for manufactured goods slipped 0.2 percent in January, following a revised 3.5 percent decline in December. It was the 6th straight monthly decline in factory orders. Unfilled orders at factories also fell 0.2 percent in January, declining for a second straight month. However, orders for non-defense capital goods excluding aircraft - seen as a measure of business confidence and spending plans - rose 0.5 percent.

FRIDAY

Nonfarm payrolls increased by 295,000 in February, much more than the 230,000 economists forecasted. The spike caused the unemployment rate to decline to 5.5 percent from 5.7 percent, although the participation rate remained at historic lows. Among the largest increases in job types was food services and drinking places, which contributed to the weak average hourly earnings increase of a measly 0.1 percent.

The Commerce Department said Friday that the U.S. trade deficit fell 8.3 percent to \$41.8 billion in January. The shrinking trade gap reflected a drop in exports, which fell \$5.6 billion to \$189.4 billion in response to a stronger dollar which has made U.S. goods more expensive overseas. Imports fell by even more however, to \$231.1 billion, which is a \$9.4 billion decline from December. Much of the decline in imports can be attributed to lower oil prices.

TIDBITS

Chinese Premier Li Keqiang said this week that his government has scaled back the growth target for 2015 to around 7 percent, which would be the slowest rate of expansion in 24 years.

QUOTE OF THE WEEK

“It is not the ship so much as the skillful sailing that assures the prosperous voyage.”

- George William Curtis

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

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

Important Disclosures: The information and statistics in this e-mail have been obtained from sources we believe to be reliable but are not guaranteed by us to be accurate or complete. Any and all earnings, projections, and estimates assume certain conditions and industry developments, which are subject to change. The opinions stated are those of Estate Counselors, LLC, but are not intended to be a substitute for personal investment advice. Services provided by Estate Counselors, LLC do not constitute legal services and are not being provided by Willms, S.C. law firm. Communications between Estate Counselors, LLC and its clients are therefore not covered by the attorney-client privilege, and as a result may be discoverable by third parties. All such communications are, however, covered by Estate Counselors, LLC's privacy policy, a copy of which is available on request. *Please let us know in a reply to this e-mail if you have received this message in error, or would like to discontinue receiving it.* Thank you.
