ESTATE COUNSELORS, LLC

ASSET MANAGEMENT

The Market Week in Review

For Week Ending November 14, 2015

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THE MARKETS

Stocks broke six weeks of gains as the moved sharply lower on the week. The energy sector of the S&P was the worst performer, sliding nearly 6 percent as crude oil tumbled for the second week in a row. Oil prices have come down 16 percent since nearly hitting $50 a barrel at the beginning of the month. Another factor contributing to the selloff was a few weak earnings reports from major retail chains which traders feared may hint at a soft upcoming holiday shopping season. Bond yields fell after spiking last week. The 10 Year Treasury Note closed the week yielding 2.28 percent. The dollar's strength held steady but the price of gold still fell to $1,080 an ounce.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	17,910.33	17,245.24	-665.09	-3.71%	-3.24%
Nasdaq	5,147.12	4,927.88	-219.24	-4.26%	4.05%
S&P 500	2,099.20	2,023.04	-76.16	-3.63%	-1.74%
Russell 2000	1,199.75	1,146.55	-53.20	-4.43%	-4.83%

DAILY DEVELOPMENTS

MONDAY

The Federal Reserve's Labor Market Conditions Index (LMCI) rose 1.6 points in October. The stronger than expected 271,000 rise in October nonfarm payrolls, one tenth decline in the unemployment rate to 5.0 percent, and a solid improvement in wage growth to 2.5 percent on a year over year basis all suggest that U.S. labor markets have largely recovered from the August/September slump.

TUESDAY

The Labor Department said on Tuesday that import prices dropped 0.5 percent last month after a revised 0.6 percent decline in September. Import prices have now fallen in 14 of the last 16 months. Last month, imported petroleum prices fell 2.1 percent after declining 6.0 percent in September. The strength of the dollar and low oil prices has put downward pressure on oil prices. In the 12 months through October, import prices have tumbled 10.5 percent.

WEDNESDAY

There were no major economic announcements on Wednesday. Banks were closed in observance of Veterans Day.

THURSDAY

Initial claims for state unemployment benefits were unchanged at a seasonally adjusted 276,000 for the week ended November 7th, the Labor Department said on Thursday. The prior week's claims were unrevised. There were no special factors influencing the data. Weekly new claims have now held below the 300,000 threshold for 36 consecutive weeks, the longest stretch in years. The four week moving average of claims rose 5,000 to 267,750 last week but remains close to a 42 year low.

In another positive sign for the labor market, the Labor Department's most recent Job Openings and Labor Turnover Survey popped back up in September, to 5.526 million from a revised 5.377 million in August.

FRIDAY

Producer prices for final demand fell an unexpected 0.4 percent in October, missing the expected increase of 0.2 percent. Stripping out the volatile food and energy component, the number was still down 0.3 percent. Services, which should be immune from global pricing effects were also soft – a factor that points to what may be a weak CPI reading next week.

Retail sales rose 0.1 percent in October which was two tenths shy of the Econoday consensus. Less autos, the increase of 0.2 percent also missed by two tenths. However, stripping out both autos (which surged in recent months) and gasoline sales which soften on price weakness, core sales rose 0.3 percent which was in line with the consensus.

The mid-November reading of consumer sentiment rose to 93.1 according to the University of Michigan's survey. This beat the consensus estimate of 92.0 and was a 3.1 point gain from the prior reading. The expectations component was especially lively at 85.6 which is the best reading since June. Inflation expectations, however, remain subdued, slipping two tenths to 2.5 percent.

TIDBITS

Greek workers are preparing for their first general strike since Prime Minister Alexis Tsipras came to office last January. Greek labor organizations have accused Tsipras of giving into creditors and supporting policies that "perpetuate the dark ages for workers." The strike coincides with government efforts to obtain a bailout disbursement from the Eurozone.

QUOTE OF THE WEEK

"My forecast is that we'll reach our maximum employment mandate in the near future and I'm increasingly confident that inflation will gradually move back to our 2 percent goal. It makes sense, therefore, to start gradually moving away from the extraordinary stimulus that got us here."
- San Francisco Federal Reserve Bank President John Williams

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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