ESTATE COUNSELORS, LLC

ASSET MANAGEMENT

The Market Week in Review

For Week Ending September 5, 2015

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 MARKETS

Lack of buying interest caused stocks to slide on low volume in the last unofficial week of summer, which is typically one of the quietest weeks of the year for trading. Soft economic data left market participants pondering whether or not the Fed, which has touted that its decision will be "data dependent", will have enough ammunition to raise rates at their next meeting in two weeks. Considering the markets recent gyrations, it is all but clear how investors will react when that announcement is made. Despite volatility in the equity markets, gold declined for a second week, perhaps a signal that at least for the time being it is no longer deemed a safe-haven asset. On Monday crude oil capped off a three day rally that saw its price increase by 27 percent before paring back to close week 75 cents higher at $46 per barrel.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	16,643.01	16,102.38	-540.63	-3.25%	-9.65%
Nasdaq	4,828.32	4,683.92	-144.40	-2.99%	-1.10%
S&P 500	1,988.87	1,921.22	-67.65	-3.40%	-6.69%
Russell 2000	1,162.91	1,136.17	-26.74	-2.30%	-5.69%

DAILY DEVELOPMENTS

MONDAY

The Chicago Business Barometer, also known as the Chicago PMI, dipped to 54.4 in August from a 54.7 reading in July. A reading above 50 reflects growth, while a sub-50 print indicates contraction. Economists surveyed by The Wall Street Journal expected the index to register at 54.5. Four of five sub-indexes declined in August, while employment rose in August to the highest since April.

TUESDAY

The Institute for Supply Management's manufacturing-activity index dropped from July's 52.7 to 51.1 in August. It was the slowest expansion for the industrial sector in more than two years but was high enough to suggest that the manufacturing sector is still expanding. (Readings above 50 signal growth.)

In another economic report on Tuesday, the Commerce Department said that construction spending rose 0.7 percent in July, bolstered by an increase in the building of houses, factories and power plants. That put the seasonally adjusted annual rate at an estimated $1.08 trillion, the highest level since May 2008. The report also revised the June increase in construction spending to 0.7 percent, from 0.1 percent previously.

WEDNESDAY

The Commerce Department said on Wednesday that new orders for manufactured goods increased 0.4 percent in July following an upwardly revised 2.2 percent rise in June. Orders for non-defense capital goods excluding aircraft - seen as a measure of business confidence and spending plans - increased 2.1 percent which is slightly lower than the 2.2 percent increase reported last month. Factory activity has been hobbled by a strong dollar and spending cuts in the energy sector after last year's sharp plunge in crude oil prices.

THURSDAY

Initial claims for unemployment benefits rose 12,000 in the August 29th week to 282,000 which is the highest reading since early July. The four week average rose by 3,250 to 275,500. Notwithstanding the increase, the number of workers seeking jobless benefits remains near historically low levels and the unemployment rate for insured workers remains at a very low 1.7 percent.

The U.S. trade deficit shrank 7.4% in July from June as imports declined and exports edged higher, according to the Commerce Department. The $41.9 billion deficit was the smallest in five months. Exports were up just 0.4 % to $188.5 billion while imports declined 1.1% to $230.4 billion reflecting the sharp drop in oil prices. Year to date the deficit is running 3.6% above last year's level, as a result of weaker export sales. The concern is that U.S. growth will be hurt by further declines in exports. Some economists believe international trade will be a drag on the U.S. economy as a stronger dollar and overseas weakness in nations such as China will lead to a further decline in American exports for the rest of the year.

The Institute for Supply Management said its services index fell to 59 last month from 60.3 in July, which was its highest since August 2005. Analysts were looking for a reading of 58.1 in August, according to a Reuters survey. A reading above 50 indicates expansion in the sector.

FRIDAY

The Department of Labor reported only 173,000 jobs were created in August, considerably less than the consensus expectation of 223,000. Although the headline number looked weak, there was plenty of good news in the release. Payrolls for the previous two months were revised higher by a total of 44,000 and average hourly earnings increased by 0.3 percent while the unemployment rate fell to 5.1 percent in August. The U-6 unemployment rate also dropped a tenth to 10.3 percent.

TIDBITS

Auto sales in the U.S. last month soared to their highest level since July 2005, fueled by consumer demand for SUVs and pickups. Sales reached an annualized rate of 17.8 million vehicles.

QUOTE OF THE WEEK

"Given the apparent stability of inflation expectations, there is good reason to believe that inflation will move higher as the forces holding down inflation dissipate further."
- Federal Reserve Vice Chairman Stanley Fischer

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

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