

# The Market Week in Review

For Week Ending April 9, 2016

## THE MARKETS

U.S. equities experienced a choppy trading week, ultimately losing ground amid rebounding oil prices, comments from the Federal Reserve, and some positive economic news. The broad theme remains that the questionable health of the global economy has made it more likely interest rate hikes by our Federal Reserve will likely be more gradual than first thought. Treasury yields fell to 1.72 percent on the 10 Year Note as the safe haven asset was bid higher. Gold held its ground above \$1,200 an ounce while the dollar held steady against the Euro at \$1.14.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	17,792.75	17,576.96	-215.79	-1.21%	0.87%
Nasdaq	4,914.54	4,850.69	-63.85	-1.30%	-3.13%
S&P 500	2,072.78	2,047.60	-25.18	-1.21%	0.18%
Russell 2000	1,117.68	1,097.31	-20.37	-1.82%	-3.40%

## DAILY DEVELOPMENTS

### MONDAY

Orders received by U.S. factories declined 1.7% in February, marking the third drop in four months, the Commerce Department said Monday. Orders for all factory goods totaled \$454 billion on a seasonally adjusted basis last month. There was weakness in a number of categories, led by a big drop in the volatile category of commercial aircraft. Orders for civilian aircraft fell 27.2%; oilfield, gas-field and mining equipment dropped 20.1%; and military aircraft fell 28%.

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*TUESDAY*

The Labor Department reported Tuesday that 5.4 million people found new jobs in February, a 5.8 percent jump from January and the largest increase since November 2006. The number of people quitting their jobs rose to a healthy 2.95 million in February, though that remained just below December's recent peak. Both figures point to a healthier, more dynamic labor market. However, with GDP barely growing at a two percent rate, it's difficult to see how employment can continue to expand at the current pace.

The U.S. trade deficit rose in February to \$47.1 billion, up 2.6 percent from January's deficit of \$45.9 billion, the Commerce Department reported Tuesday. Exports increased 1 percent to \$178.1 billion, boosted by stronger sales of U.S. made autos. Imports were up 1.3 percent to \$225.1 billion despite a drop in oil imports, which fell to the lowest level in 13 years. The average price of imported crude oil fell to \$27.48 per barrel in February, the lowest level since late 2003.

*WEDNESDAY*

The Federal Open Market Committee (the policy making arm of the Federal Reserve) meeting minutes were released on Wednesday, following the typical three week lag. They indicate that an interest rate increase in April is unlikely, although Committee members are not unanimous on how to proceed. A majority of members are of the view that rates should not be increased until the global economy picks up steam. However, some members are in favor of raising rates as soon as April "if the incoming economic data remained consistent with their expectations for moderate growth in output, further strengthening of the labor market, and inflation rising to 2% over the medium term".

*THURSDAY*

Applications for U.S. jobless benefits fell 9,000 to a seasonally adjusted 267,000, the Labor Department said Thursday. Applications have been below 300,000 for 57 straight weeks, the longest streak since 1973. The four week average, a less-volatile figure, rose 3,500 to 266,750. The number of people receiving benefits was mostly unchanged at 2.19 million.

*FRIDAY*

There was no major economic news on Friday.

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## TIDBITS

Tesla Motors says worldwide orders for its new lower-priced Model 3 electric car have hit 325,000. Customers must put down \$1,000 to order the cars, which start at \$35,000 and have a range of 215 miles per charge. The deposits are refundable.

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## QUOTE OF THE WEEK

"The U.S. economy has continued to progress in a satisfactory way. We continue to see good job performance, some evidence of inflation moving up, so that was our expectation when we raised rates in December."

- Federal Reserve Chairwoman Janet Yellen

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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](mailto: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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