

# The Market Week in Review

For Week Ending August 13, 2016

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## THE MARKETS

Thursday marked the first time since 1999 that the Dow, S&P, and the Nasdaq all reached all-time highs on the same day. However, by week's end those three indexes registered modest gains and the small cap Russell 2000 closed with a slight loss. Shaky economic data fueled the appetite for Treasuries which drove the yield on the 10 Year Note down to 1.51 percent. Oil moved 7 percent higher and for now is safely above the \$40 mark that had many concerned last week as prices briefly broke below that level.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	18,543.53	18,576.47	32.94	0.18%	6.61%
Nasdaq	5,221.12	5,232.89	11.77	0.23%	4.50%
S&P 500	2,182.87	2,184.05	1.18	0.05%	6.85%
Russell 2000	1,231.30	1,229.82	-1.48	-0.12%	8.27%

## DAILY DEVELOPMENTS

### MONDAY

There were no major economic announcements on Monday.

### TUESDAY

Domestic productivity fell 0.5 percent in the second quarter, marking the third straight quarter of contraction in a row and the longest streak in the history of the report, which dates back to before World War II. While output increased modestly, the increase couldn't keep pace with labor costs, which rose 2.0 percent.

**WEDNESDAY**

Further evidence that the U.S. labor market was released on Wednesday as the Labor Department's JOLTS report indicated that job openings rose 2.0 percent in June to a 5.6 million annualized rate. Hiring ticked a tenth higher to 3.6 percent while the quits rate held at 2.0 percent. Openings in professional and business services rose 2.1 percent which points to strength, and construction and manufacturing were higher as well.

**THURSDAY**

On Thursday the Labor Department announced that initial jobless claims fell 1,000 to 266,000 last week, while the four week average rose modestly by 3,500 to 262,750. Continuing claims for the preceding week rose 14,000 to 2.15 million with the four week average holding at 2.14 million. There were no special factors in the report.

**FRIDAY**

Producer prices fell 0.4 percent in July which brought the year-over-year figure into negative territory at minus 0.2 percent. Excluding food and energy, prices fell 0.3 percent for an annual 0.7 percent increase. Apparel prices pulled down the services component and signal weak future demand.

Retail sales were unexpectedly flat in July and stripping out the 1.1 percent boost from automobiles, sales declined 0.3 percent. Both supermarket and building material sales fell and sporting goods and restaurants were especially weak. This report outlines a soft start to the third quarter, which certainly tempers rate hike expectations.

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**TIDBITS**

Studies show that over 25% of the return in the equity market is lost to mistiming. Individual investors lose over 2% a year in annual return because they get scared out of the market at the worse time and reinvest at higher prices.

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**QUOTE OF THE WEEK**

“I’ve always preached to my clients that how you do in bad markets is more important than how you do in good markets. Managing your risk is more important than finding avenue’s to make money.”  
- Thomas Buck

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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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