ESTATE COUNSELORS, LLC

ASSET MANAGEMENT

The Market Week in Review

For Week Ending December 10, 2016

THE MARKETS

The "Trump rally" continued on Wall Street with the Dow, S&P, Nasdaq, and Russell 2000 all closing higher every day this week. Once again, all of the major indices finished the week at all-time highs. Interest rates also moved higher and the 10 Year Note settled the week yielding 2.46%. Gold moved lower for a fifth week in a row to close the week trading at $1,160 an ounce. Benchmark crude oil prices found support at $50 a barrel and ultimately moved to $51.45 by Friday's late afternoon trade. Similarly, the dollar index bounced off the 100 level as the greenback continues to hold its strength against foreign currencies.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	19,170.42	19,756.85	586.43	3.06%	13.38%
Nasdaq	5,255.65	5,444.50	188.85	3.59%	8.73%
S&P 500	2,191.95	2,259.53	67.58	3.08%	10.55%
Russell 2000	1,314.25	1,388.07	73.82	5.62%	22.20%

DAILY DEVELOPMENTS

MONDAY

The ISM Non-Manufacturing Index rose solidly in November to 57.2, beating the high-end consensus estimate of 56.5. The employment component was a big contributor to the headline number, spiking 5 points to an outsized 58.2. However, business activity was the highlight of the report, registering 61.7. New orders and exports were also solid.

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TUESDAY

The U.S. trade deficit increased in October to a higher than expected $42.6 billion, reflecting a 1.8% decline in exports and a 1.3% rise in imports. The U.S. trade deficit in goods totaled $63.4 billion which was offset, in part, by a small rise in the trade surplus in services to $20.8 billion. The increase in imports shows heavy U.S. buying, at a $231.3 billion total for the month of October which is the highest level since August of last year.

Factory orders rose 2.7% in October, according to data released Tuesday by the Commerce Department. The number was in line with expectations, but was helped by a sharp rise in the volatile aircraft component (both civilian and defense). Core capital goods rose only 0.2%, which may upset fourth quarter GDP figures. Shipments, unfilled orders and inventories were all solid components of the report.

WEDNESDAY

According to the Labor Department's Job Openings and Labor Turnover Survey, job openings decreased 1.7% in October to 5.534 million. Year over year, job openings are up 2.1% in contrast to a 2.2% decline for hiring. Openings have been ahead of hiring for the past two years, consistent with other data demonstrating that employers are having a hard time finding the right people.

THURSDAY

On Thursday, the Labor Department reported that unemployment claims remain very low, indicating a strong demand for labor. More specifically, initial claims for unemployment benefits fell 10,000 to 258,000 during last week's reporting period, the fifth consecutive double digit swing. However, after a period of volatile readings, the 4 week moving average was up only 1,000 to 252,500, which is nearly 10,000 below the month ago reading.

FRIDAY

The University of Michigan's Consumer Sentiment Index rose more than four points to 98, the highest level since December of 2014. Consumers specifically cited expectations of new economic policies as the biggest positive, demonstrating post-election confidence continuing to build. However, the rise in confidence isn't translating to any improvement in inflation with both the 1 year and 5 year outlooks down a tenth from last month, to 2.3% and 2.5%, respectively.

TIDBITS

This week president-elect Trump said U.S. companies that are shifting production to other countries will be met with retribution. Trump prompted a 35 percent tariff that will be imposed on the products of companies that have exported jobs when those products are shipped into the U.S.

QUOTE OF THE WEEK

"The four most dangerous words in investing are: 'this time it's different'."
- John Templeton

We 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 Week in Review please email us at firm@estatecounselors.com. If you would like to discuss how current market conditions could impact your investments, please feel free to call us at the number listed below.

Best regards,

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