ESTATE COUNSELORS, LLC

ASSET MANAGEMENT

The Market Week in Review

For Week Ending February 13, 2016

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

The volatile swings continued on Wall Street as stocks began trading in tandem with oil prices again after a brief period of uncoupling. Oil prices rallied in the latter half of the week as rumors of a potential OPEC deal to cut production were confirmed by some sources (again). However, it wasn't enough for the major averages to close the week with gains. 10 Year Treasury yields went as low as 1.57 percent amidst the market turmoil - a sign that more market participants are seeking safe-haven assets as the markets continue into their sixth month of above average volatility. Gold moved higher for a fourth straight week to trade above $1,200 an ounce for the first time since last June.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	16,204.97	15,973.84	-231.13	-1.43%	-8.33%
Nasdaq	4,363.14	4,337.51	-25.63	-0.59%	-13.38%
S&P 500	1,880.05	1,864.78	-15.27	-0.81%	-8.77%
Russell 2000	985.62	971.99	-13.63	-1.38%	-14.43%

DAILY DEVELOPMENTS

MONDAY

There were no major economic announcements on Monday.

TUESDAY

The Labor Department announced Tuesday that the number of job openings in December surged 4.9 percent to 5.6 million. In addition, the number of Americans voluntarily leaving their jobs has reached the highest level in nine years, a sign of an improving labor market. The so-called "quits rate" increased 6.9 percent to nearly 3.1 million. That in turn could lead to greater consumer spending, which would provide much needed fuel for the U.S. economy. On the other hand, higher pay could also boost inflation, which in turn could encourage the Fed to continue with its plans to raise interest rates. That possibility has been one of the biggest contributors to the stock market's recent correction.

WEDNESDAY

Federal Reserve Chair Janet Yellen cautioned in her semiannual report to Congress on Wednesday that global weakness and falling financial markets could depress the U.S. economy's growth and slow the pace of Fed interest rate hikes. At the same time, Yellen reiterated the Fed's confidence that the U.S. economy was on track for stronger growth and an increase in too low inflation. The Chairwoman cautioned that the sharp declines in stock prices, rising rates for riskier borrowers and further strength in the dollar had created conditions that pose risks to growth, but also indicated that the Fed still expects to raise rates gradually albeit not on any preset course.

THURSDAY

Weekly applications for jobless aid fell 16,000 to a seasonally adjusted 269,000, the Labor Department said Thursday. The four week average, a less volatile measure, declined slightly to 281,250. The number of people receiving benefits has declined 4.6 percent to 2.2 million from a year ago.

Also on Thursday mortgage buyer Freddie Mac announced that the average rate on a 30-year fixed-rate mortgage dropped to 3.65 percent this week, down from 3.72 percent last week and close to its low point last year of 3.59 percent. The average rate on a 15-year fixed-rate mortgage eased to 2.95 percent from 3.01 percent last week. Mortgage rates have continued to fall despite the Federal Reserve's decision in December to raise the short-term rate it controls for the first time since 2006.

FRIDAY

Retail sales in January were in line with economists' expectations, rising 0.2 percent. Excluding automobiles and gas, the latter of which has pulled down the headline number, sales rose 0.4 percent. Soft spots in the report were restaurant and furniture sales, although those categories came off of a strong multi-month run.

Consumer sentiment for mid-February came in below expectations at 90.7 as many consumers are starting to feel uneasy about stock market headline news. 5-year inflation expectations dropped three tenths to 2.4 percent, while the 1-year figure held at 2.5 percent.

TIDBITS

The S&P 500 has predicted 20 off the last 7 recessions.

QUOTE OF THE WEEK

"I think we want to be careful not to jump to a premature conclusion about what is in store for the U.S. economy. I don't think it is going to be necessary to cut rates."
- Federal Reserve Chairwoman Janet Yellen during her semi-annual monetary policy report to Congress.

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
