

The Market Week in Review

For Week Ending February 20, 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

Encouraging economic data and rebounding oil prices stood behind the strong rally during this holiday-abbreviated trading week. News that Iran joined the new alliance of Saudi Arabia and Russia to freeze oil production and stabilize prices came as a welcomed reprieve to the markets. The S&P made its first three day winning streak of the year while at the same time achieving its first three day run of over 1 percent gains since 2011. Interest rates were flat on the week with the 10 Year Treasury Note yielding 1.75 percent. Gold slipped a few dollars an ounce to \$1,226 despite the dollar moving higher.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	15,973.84	16,391.99	418.15	2.62%	-5.93%
Nasdaq	4,337.51	4,504.43	166.92	3.85%	-10.04%
S&P 500	1,864.78	1,917.78	53.00	2.84%	-6.17%
Russell 2000	971.99	1,010.01	38.02	3.91%	-11.08%

DAILY DEVELOPMENTS

MONDAY

Markets were closed on Monday in observance of President's Day.

TUESDAY

The National Association of Home Builders/Wells Fargo builder sentiment index for February was released Tuesday. Heightened concerns of late about a slow-down in the global economy and its potential impact on the U.S. and rising costs for labor and ready-to-build land parcels led to the index falling from 61 in January to 58 this month. Readings above 50 indicate more builders view sales conditions as good, rather than poor. The index had been hovering in the low 60s since June. Builders' outlook for sales over the next six months rose one point to 65.

WEDNESDAY

The Federal Reserve reported on Wednesday that industrial output climbed 0.9% in January. The increase was the first in July and one of the biggest jumps since the end of the great recession. Manufacturing production rose 0.5% in January, while utilities output in January jumped 5.4% due to a return of cold weather to much of the country. Capacity utilization for the industrial sector increased 0.7 percentage points to 77.1%.

U.S. housing starts fell 3.8 percent to a seasonally adjusted annual pace of 1.099 million units, the Commerce Department said on Wednesday. Part of the decline in starts could be attributed to the snowstorms, which blanketed the Northeast last month. December's starts were revised down to a 1.143 million-unit rate from the previously reported 1.15 million-unit pace.

The minutes of the Federal Reserve's policy making committee on January 26th-27th were released on Wednesday. Policymakers discussed "altering their earlier views of the appropriate path for the target range for the federal funds rate," according to the minutes. However, they decided that it would be premature to change their outlook for the U.S. economy, saying they would closely monitor global economic developments as well as oil and stock prices. Some officials thought the costs and benefits of the forces roiling the global economy, taken together, would have a surprisingly small effect on the domestic economy.

THURSDAY

First time jobless claims in the U.S. fell by 7,000, to 262,000 during the seven days stretching from February 7th to February 13th the Labor Department said Thursday. The four week rolling average, which economists say better indicates labor market trends, fell by 8,000, to 273,250. Some 2.27 million people collected weekly unemployment benefits, known as continuing claims, in the seven days ended February 6th. That was up 30,000 from the prior week.

FRIDAY

Core consumer prices rose 0.3 percent in January, perhaps justifying the Fed's recent rate hike. Add in food and energy and the monthly reading was flat, but up 0.3 percent on the year. Without food and energy weighing down the yearly figure, prices rose 2.2 percent. The Bureau of Labor Statistics noted the "lack of declines" across the readings – something that has not found in this report for several months.

TIDBITS

The interest rate charged on Japan's unsecured overnight call loans, the benchmark for money market rates, fell to zero Tuesday as the Bank of Japan's negative interest rate took effect.

QUOTE OF THE WEEK

"Now is the right time for Congress to consider going further than Dodd-Frank with bold, transformational solutions to solve this problem once and for all."

- Neel Kashkari, in his first speech as head of the Minneapolis Federal Reserve branch, recommending Congress consider breaking up of the nation's largest banks to avoid future bank bailouts.

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

Important Disclosures: The information and statistics in this e-mail have been obtained from sources we believe to be reliable but are not guaranteed by us to be accurate or complete. Any and all earnings, projections, and estimates assume certain conditions and industry developments, which are subject to change. The opinions stated are those of Estate Counselors, LLC, but are not intended to be a substitute for personal investment advice. Services provided by Estate Counselors, LLC do not constitute legal services and are not being provided by Willms, S.C. law firm. Communications between Estate Counselors, LLC and its clients are therefore not covered by the attorney-client privilege, and as a result may be discoverable by third parties. All such communications are, however, covered by Estate Counselors, LLC's privacy policy, a copy of which is available on request. *Please let us know in a reply to this e-mail if you have received this message in error, or would like to discontinue receiving it.* Thank you.
