ESTATE COUNSELORS, LLC

ASSET MANAGEMENT

The Market Week in Review

For Week Ending July 16, 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 S&P vied for five consecutive all-time closing highs this week, before Friday's session caused the index to narrowly fall short of the feat that hasn't been seen since 1998. Still, the four day streak was the longest since 2014 and the major indices all capped off a third straight week of gains. Treasury yields spiked 23 basis points to 1.60 percent on the 10 Year Note as the safe-haven trade faded in the wake of stellar equity performance. Crude oil rose 2 percent to $46 a barrel. Minutes after the closing bell rang on Wall Street reports of a coup in Turkey sent gold futures spiking to $1340 an ounce as the dollar also gained against the Lira.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	18,146.74	18,516.55	369.81	2.04%	6.26%
Nasdaq	4,956.76	5,029.59	72.83	1.47%	0.44%
S&P 500	2,129.90	2,161.74	31.84	1.49%	5.76%
Russell 2000	1,177.36	1,205.31	27.95	2.37%	6.11%

DAILY DEVELOPMENTS

MONDAY

The Conference Board said its employment trends index rose 1.4% last month to 128.13 after having declined 1.3% in May. The index combines data from eight labor-market indicators to minimize the effect of volatile monthly numbers. All eight of the basket's gauges rose in June, led by an increase in the number of workers who are working part time jobs and a drop in claims for unemployment benefits.

TUESDAY

The Bureau of Labor Statistics reported that job openings fell to 5.5 million in May from 5.85 million in April. The reduction pulled the job openings rate down by two tenths to 3.7 percent. The "quits" rate held at 2.0 percent pointing to workers who are not optimistic about finding higher paying jobs, despite the low wage growth rate.

WEDNESDAY

According to the Fed's Beige Book, 11 of the 12 Fed districts are reporting modest growth. The labor market continues to be a positive and the report notes that it is stable. Commercial construction and housing continue to strengthen while the manufacturing and agricultural sectors show mixed results. Only two districts sited Brexit as a concern.

THURSDAY

Initial jobless claims for the week of July 9th were unchanged from the prior week at 254,000 with the four week average down, 6,000 to 259,000. Continuing claims, for which the data lags a week, ticked higher by 32,000 to 2.15 million. There too, however, the four week average is down slightly to 2.14 million.

Producer prices rose 0.5 percent in June, excluding food and energy they were up 0.4 percent. Both readings were higher than expected, yet only logging a 0.3 percent rise on the year. Still, energy and services prices showed strong gains which may help inflation towards the Fed's target rate of 2.0 percent.

FRIDAY

The increase in June's producer prices hasn't flowed through to the consumer, as CPI rose only 0.2 percent for the month. Excluding food and energy, the rise was the same. Year over year, prices fell a tenth from the prior three months to a rise of 1.0 percent, but here the core number rose 2.3 percent.

Retail sales in June rose 0.6 percent versus the estimate of a 0.1 percent increase, although May was revised three tenths lower to a gain of 0.2 percent. Excluding the sluggish automobile component, sales rose 0.7 percent. Ecommerce surged 1.1 percent and department stores followed close behind, rising 0.9 percent. These numbers show signs of life in the consumer.

In contrast to retail sales, motor vehicle production surged 5.9 percent, lending a tailwind to industrial production which rose 0.6 percent in June. Both utilities and business equipment showed solid gains, although business investment is down 0.6 percent year over year.

Business inventories rose a lean 0.2 percent in May amid slow sales (which appear to have since picked up). The inventory-to-sales ratio held at 1.4. Year over year, inventories rose 1.0 percent while sales slipped 1.4 percent.

Finally, on Friday the University of Michigan's Consumer Sentiment flash June survey showed signs of Brexit fears with the index dropping to 89.5 from May's 93.5. Weakness spurred from the expectations component which fell a sharp 5.3 points to one of the weakest readings in two years of 77.1. Still, current conditions remained strong at 108.7 even after a 2.1 point dip.

TIDBITS

The International Monetary Fund (IMF) lowered its projections for growth in the Eurozone to 1.6 percent this year and 1.4 percent in 2017, down from its original protection of 1.7 percent in each year.

QUOTE OF THE WEEK

"There is no flag large enough to cover the shame of killing innocent people."
- Howard Zinn

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 The Market Week in Review 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 if you would like to discontinue receiving it. Thank you.