

The Market Week in Review

For Week Ending June 11, 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 Dow moved above 18,000 and the S&P nearly set a new all-time high last week but by the end of the week all of the indexes closed the week slightly lower than where they started. Many traders it appears have decided to proceed cautiously before the upcoming central bank meetings and "Brexit" vote. The U.S. dollar spent the majority of the week under pressure until Friday when a poll revealed that a majority of British citizens plan to vote to remove their country from the European Union, putting pressure on the pound sterling and lifting the dollar. Interest rates broke below a trading range they've been in since February, and the 10 Year Treasury Note closed the week yielding just 1.64 percent.

| Index | Started Week | Ended Week | Change | % Change | YTD % |
|--------------|--------------|------------|--------|----------|--------|
| DJIA | 17,807.06 | 17,865.34 | 58.28 | 0.33% | 2.53% |
| Nasdaq | 4,942.52 | 4,894.55 | -47.97 | -0.97% | -2.25% |
| S&P 500 | 2,099.13 | 2,096.07 | -3.06 | -0.15% | 2.55% |
| Russell 2000 | 1,164.13 | 1,163.93 | -0.20 | -0.02% | 2.47% |

DAILY DEVELOPMENTS

MONDAY

Fed Chair Janet Yellen commented in a speech that May's disappointing employment report does not derail the "considerable progress" of the labor market which is continuing to strengthen.

TUESDAY

Productivity was weak during the first quarter of 2016 at a quarter-over-quarter annualized rate of negative 0.6 percent. Output rose, but the increase in hours worked to offset the gain. Unit labor costs also rose by 4.5 percent. Year-over-year, productivity was up 0.7 percent while unit labor costs were up 3.0 percent.

WEDNESDAY

The Job Openings and Labor Turnover Survey for the month of April showed that job openings rose to 5.78 million, but the hiring rate is weak, falling two tenths to 3.5 percent. These figures support the theme that employers are having trouble finding qualified applicants for skilled positions. The “quits rate” also fell one tenth to 2.0 percent, an indicator that workers are not shopping their skills around to other employers.

THURSDAY

Initial jobless claims fell by 4,000 in the week of June 4th to 264,000 which pulled the four week average down 7,500 to 269,500. Continuing claims for the week of May 28th also fell by 77,000 to 2.09 million. There are no special factors in this report, which comes as a relief after May’s faltering payrolls report.

FRIDAY

Consumer sentiment held its ground through the flash June reading, which came in at 94.3, down marginally from May’s 94.7. The current conditions component jumped nearly two points to 111.7, although the expectations reading slipped 1.7 points to 83.2, which is still strong and surprisingly points to an upbeat outlook for the jobs market. Inflation expectations, however, are a negative with the one year figure unchanged at 2.4 percent and the five year figure dropping two tenths to 2.3 percent.

TIDBITS

The European Central Bank (ECB) began buying debt issued by European non-bank corporations this week. By purchasing corporates the ECBs intend to boost risk appetite among investors and to deliver credit where it is needed most, the private corporate sector.

QUOTE OF THE WEEK

“Good judgement is usually the result of experience, and experience is frequently the result of bad judgement.”

- Robert Lovell

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.
