ESTATE COUNSELORS, LLC

ASSET MANAGEMENT

The Market Week in Review

For Week Ending October 15, 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

Strong earnings from the major money center banks buoyed the markets to close a volatile week, although all the major averages still slipped lower. The dollar moved higher for its largest weekly gain against the euro in seven months. International currencies broadly weakened after Chinese data showed producer prices rose for the first time in nearly five years. Despite the strong dollar, U.S. benchmark oil prices held above the $50 mark, but gold moved modestly lower to around $1,250 an ounce. Bond yields continued to push higher, and the 10 Year Treasury rose another seven basis points to 1.80%.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	18,240.49	18,138.38	-102.11	-0.56%	4.09%
Nasdaq	5,292.40	5,214.16	-78.24	-1.48%	4.13%
S&P 500	2,153.74	2,132.98	-20.76	-0.96%	4.36%
Russell 2000	1,236.56	1,212.41	-24.15	-1.95%	6.74%

DAILY DEVELOPMENTS

MONDAY

There were no major economic announcements on Monday.

TUESDAY

The National Federation of Independent Business (NFIB) reported on Tuesday morning that its small business optimism index for September slipped 0.3 points from 94.4 in August to 94.1. The September reading remains well below the index's 42 year average of 98. The job creation component rose one percentage point in September to 10%, the job openings component fell six points to 24%, capital spending plans fell one point to 27%, and inventory investment plans dropped eight points to -7%.

WEDNESDAY

According to the U.S. Bureau of Labor and Statistics' Job Openings and Labor Turnover report, job openings fell sharply by 7.3% to 5.44 million in August. This was the lowest number since December last year. The hiring rate held steady from the prior month at 3.6%, which is unchanged from a year ago. In a sign workers aren't rigorously seeking new positions, the quits rate held at 2.1%, and the separations rate fell a tenth to 3.4%.

Minutes released from the Fed's September 21st policy meeting indicated that the hawks are concerned delaying a rate hike much longer would only increase the need to raise rates at a faster pace in the future. Still, the majority (7 of 10) of voting members contended that inflation is sparse enough to keep rates the same "for the time being".

THURSDAY

Initial jobless claims fell 3,000 to 246,000 for the week of October 8th, beating the consensus forecast by 8,000. The four week average fell 4,250 to 249,250. Both figures are down by about 10,000 from the month ago comparison. Continuing claims registered 2.05 million for the October 1st week which was a drop of 16,000 from the week prior and around 100,000 lower than the month prior. Hurricane Matthew only affected numbers out of the state of Virginia, which had to be estimated.

FRIDAY

Producer prices rose 0.3% in September and are up 0.7% versus a year ago, according to a report from the Bureau of Labor Statistics. Stripping out volatile food and energy prices, the September rise was a tenth lower at 0.2%. Vegetable prices jumped 11%, pushing the consumer foods component higher by 0.6%, but services were weak, up only 0.1% with trade services down 0.4%.

After a slump the prior month, retail sales met the consensus forecast of a 0.6% increase. Excluding automobiles, sales were up 0.5% - also the consensus. Two other positives in the report were rises in furniture and building materials, up 1% and 1.4%, respectively. Both components are tied to a healthy housing market.

TIDBITS

This year, money put into exchange traded funds that invest in bonds has exceeded $100 billion, pushing fixed-income securities to nearly 20% of all ETF assets.

QUOTE OF THE WEEK

"The Stone Age didn't end for lack of stone, and the oil age will end long before the world runs out of oil."
- Sheik Ahmed Zaki Yamani, former Saudi oil minister

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 e-mail 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,

Estate Counselors, LLC
414 N. Main Street
Thiensville, WI 53092
Phone (262) 238-6996
Fax (262) 238-6999
www.estatecounselors.com
