ESTATE COUNSELORS, LLC

ASSET MANAGEMENT

The Market Week in Review

For Week Ending April 29, 2017

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THE MARKETS

Stocks kicked off the week with their biggest jump since March 1st, rising over 1% after the results of the preliminary French elections turned out to be what most see as favorable for the capital markets. During the busiest week of earnings season, many large cap stocks posted much better than expected profits causing the Nasdaq to cross 6,000 for the first time ever and hold that level throughout the week. Interest rates were slightly higher for the first time in April and the 10 Year Note closed the week yielding 2.28%. Oil continued to move modestly lower as the U.S. rig count is now almost double that of a year ago. U.S. benchmark crude closed the week at $49.

Stocks have now returned to record levels and are again trending above their major moving averages. At the same time, low market volatility has driven down the cost of establishing a hedge against a market correction. Please contact us if you would like to discuss this possibility.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	20,547.76	20,940.51	392.75	1.91%	5.96%
Nasdaq	5,910.52	6,047.61	137.09	2.32%	12.34%
S&P 500	2,348.69	2,384.20	35.51	1.51%	6.49%
Russell 2000	1,379.85	1,400.43	20.58	1.49%	3.19%

DAILY DEVELOPMENTS

MONDAY

The Chicago Fed's National Activity Index registered 0.08 in March with the three month moving average at 0.03. A decline in the unemployment rate contributed 0.02 to the total, and production was also a positive. All told, this report showed slow growth during March, but it will still be a contribution to first quarter GDP.

TUESDAY
New home sales surprised to the upside at an annual pace of 621,000 units in March, according to the National Association of Realtors. Pricing rose as well, with the median sales price up 1.2% over the past year to $315,100. Sales are up 15.6% from a year ago. Supply, while still thin, also rose to 5.2 months.

WEDNESDAY
There was no major economic news on Wednesday.

THURSDAY
New orders for durable goods rose 0.7% in March, missing expectations of a 1.1% increase. Aircraft boosted the headline number, but when stripping out the volatile transportation component, the core figure contracted 0.2%. Core capital goods were also soft, rising only 0.2%. The factory sector was also weak, held back by a decrease in foreign demand.

The Census Bureau reported the national trade deficit was $64.8 billion in March. Exports fell 1.7%, mainly due to consumer goods and vehicles which were both down sharply. Lower oil prices also cut into exports. Likewise, imports were held down by oil, as were consumer and capital goods – a sign of weak domestic demand.

The Labor Department reported initial jobless claims of 257,000 during the week of April 22nd. The rise of 14,000 didn't hurt the four week average, which dropped slightly to 242,250. Continuing claims for the April 15th week rose slightly to 1.99 million, where the four week average was also down to 2.01 million. The Easter holiday may be a factor in this week's report.

FRIDAY
The Commerce Department reported GDP grew at a 0.7% annualized clip in the first quarter of 2017, missing most economists' estimates of a 1.1% rate. Despite surging consumer confidence numbers, consumer spending was the weakest since 2009. However, residential investment, higher by 13.7%, tells a different story in its second straight quarter of stellar strength. Vehicle sales were also a major negative for the durables component for which the 2.5% decline more than offset the 1.5% rise in non-durables.

TIDBITS

Starbucks spends more on health insurance for its employees than it does on coffee beans.

QUOTE OF THE WEEK

"You are your own promised land, your new frontier."
- Julia Margaret Cameron

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 email 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,

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