ESTATE COUNSELORS, LLC

ASSET MANAGEMENT

The Market Week in Review

For Week Ending July 1, 2017

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THE MARKETS

The second quarter wrapped up its final week with both stocks and bonds moving lower. It was news from the European Central Bank that it will be winding down its quantitative easing program that carried the biggest influence over the global capital markets. The news caused the Euro to strengthen, which in turn saw the dollar slide two points lower to 95.66 versus a basket of other major currencies. At the same time, U.S. interest rates climbed 15 basis points to 2.30%, as measured by the 10 Year Treasury Note. Crude oil made a rebound to over $46 a barrel as data showed inventory drawdowns leading into the travel-heavy holiday weekend.

Index	Started Week	Ended Week	Change	% Change	YTD %
DJIA	21,394.76	21,349.63	-45.13	-0.21%	8.03%
Nasdaq	6,265.25	6,140.42	-124.83	-1.99%	14.07%
S&P 500	2,438.30	2,423.41	-14.89	-0.61%	8.24%
Russell 2000	1,414.78	1,415.36	0.58	0.04%	4.29%

DAILY DEVELOPMENTS

MONDAY

The Census Bureau reported new orders for durable goods fell 1.1% in May, pulled down by weak aircraft orders which fell 12% for the commercial component and 31% for the defense component. Excluding volatile transportation, new orders rose 0.1% in May and are up 2.7% over the past year. Positives in the report include vehicles, which rose 1.2% and machinery which indicate a 0.6% gain for the month.

TUESDAY

Consumer confidence showed unusual strength of 118.9 in June's reading. The current conditions index rose 5.7 points to 146.3 to a near 16 year high. Expectations were also strong, although they softened 2.3 points to 100.6. The weak spot in the report is the outlook on inflation which dropped a tenth to 4.6% and reflects lacking confidence in wage growth.

Fed Chair Janet Yellen said in a speech that inflation has been softening and could be cause for concern if it continues to slip further. Yellen also stated that she believes asset valuations are rich by historical standards, although the Fed does not target asset prices in its policy deliberations.

WEDNESDAY

The Commerce Department reported the U.S. trade deficit shrunk nearly $2 billion to $65.9 billion during May. Exports rose 0.4% helped by vehicles which had been weak but jumped 4.8%. Imports fell by 0.4% led by a 3.8% decline in consumer goods and a 2.4% decline in vehicles. Petroleum products were not a factor in May's report.

THURSDAY

The Commerce Department reported its final estimate of first quarter 2017 real GDP rose two tenths to a 1.4% annualized rate. Consumer spending was upgraded by nearly double to 1.1%. Residential and business investment rose 0.5% and 1.2%, respectively. Slow inventory growth stole 1.1% from the overall growth rate.

The Labor Department reported initial jobless claims rose 2,000 to 244,000 during the week of June 24th. However the four week average fell slightly to 242,250. Continuing claims for the week of June 17th inched higher to 1.95 million and the four week average also moved slightly higher to 1.94 million. There are no special factors in this report.

FRIDAY

Personal income rose 0.4% in May and consumer spending edged up 0.1%, according to the Bureau of Economic Analysis. The data revealed an increase in savings which rose four tenths to 5.5%. When put all together, the Personal Consumption and Expenditures Index fell 0.1%, the core reading rose 0.1% while the annual rate dropped a tenth to 1.4%.

TIDBITS

The first half of 2017 saw record inflows of $247 billion into ETFs. Total assets invested in ETFs are now $2.97 trillion.

QUOTE OF THE WEEK

"Life is an illusion. You are what you think you are."
- Yale Hirsch

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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