

WealthTrust - Arizona

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A tug-of-war between earnings and Europe dominated equities last week. The Dow industrials overcame a discouraging start to the week and managed a third straight week of gains. However, the Nasdaq slipped back into the loss column, while the S&P 500's encouraging week still left it in negative territory for the year and the small-cap Russell 2000 continued to struggle.

Market/Index	2010 Close	Prior Week	As of 10/21	Week Change	YTD Change
DJIA	11577.51	11644.49	11808.79	1.41%	2.00%
NASDAQ	2652.87	2667.85	2637.46	-1.14%	-.58%
S&P 500	1257.64	1224.58	1238.25	1.12%	-1.54%
Russell 2000	783.65	712.46	712.42	-.01%	-9.09%
Global Dow	2087.44	1845.80	1846.63	.04%	-11.54%
Fed. Funds	.25%	.25%	.25%	0 bps	0 bps
10-year Treasuries	3.30%	2.26%	2.23%	-3 bps	-107 bps

Last Week's Headlines

Despite strong words from G-20 finance ministers about the need for a formal plan for containing the damage from European debt problems, the eurozone continued to debate ways to enhance the European Financial Stability Facility's resources. However, any formal agreement failed to appear last week, though French and German leaders said they anticipated having one this week. In the meantime, Moody's warned that France's AAA debt could be hit with a negative outlook if its budget is strained by bailout demands; it also downgraded Spain's debt from Aa2 to A1.

September's 0.3% consumer inflation rate was the third increase in as many months. According to the Bureau of Labor Statistics, that put the inflation rate for the last 12 months at 2%. At the wholesale level, inflation was worse; driven mostly by a 2.3% jump in energy costs and a 10% increase in the prices of vegetables, it spiked up 0.8% in September, for a 6.9% rate for the last year.

Federal Reserve manufacturing numbers were mixed. The New York region was negative for a fifth straight month, while new orders were flat. However, the Philadelphia Fed survey showed improvement, jumping from -17.5 in September to 8.7, the first positive number in three months. Nationwide, industrial production rose 0.2% in September and was 3.2% higher than a year ago.

China's efforts to try to control inflation there contributed to a slower pace of economic growth--9.1%--during the third quarter. According to China's National Bureau of Statistics, that's down from Q2's 9.5%.

Housing starts shot up 15% in September, putting them 10.2% above last year. According to the Commerce Department, that's the highest level since before the homeowner's tax credit expired last year. Building permits, an indicator of future construction activity, fell 5% from August, though they also were up from a year ago.

Sales of existing homes dropped 3% in September, according to the National Association of

Realtors®, though compared to the previous September, they were up 11.3%.

Eye on the Week Ahead

Action or lack thereof at the midweek European debt summit is likely to affect the mood of the markets. A first look at Q3 economic growth also will be of interest.

Key dates and data releases: home prices, consumer confidence (10/25); new home sales, durable goods orders (10/26); initial estimate of Q3 gross domestic product, pending home sales, weekly new jobless claims (10/27); personal income/spending, labor costs, consumer sentiment (10/28).

Data source: Includes data provided by Brounes & Associates. All information is based on sources deemed reliable, but no warranty or guarantee is made as to its accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation for the purchase or sale of any securities, and should not be relied on as financial advice. Past performance is no guarantee of future results. Equities data reflect price change, not total return.

The Dow Jones Industrial Average (DJIA) is a price-weighted index composed of 30 widely traded blue-chip U.S. common stocks. The S&P 500 is a market-cap weighted index composed of the common stocks of 500 leading companies in leading industries of the U.S. economy. The NASDAQ Composite Index is a market-value weighted index of all common stocks listed on the NASDAQ stock exchange. The Russell 2000 is a market-cap weighted index composed of 2000 U.S. small-cap common stocks. The Global Dow is an equally weighted index of 150 widely traded blue-chip common stocks worldwide. Market indexes listed are unmanaged and are not available for direct investment.

About WealthTrust - Arizona

WealthTrust - Arizona is a fee based investment advisory firm that specializes in integrating portfolio management with estate planning for high net worth individuals and families. Services include portfolio management, estate planning, asset and lifestyle preservation, taxation concerns, access to trust and estate documentation preparation, business succession planning and more. The professionals at WealthTrust - Arizona are frequently sought out by the national media such as The Wall Street Journal, Forbes, New York Times, CNBC, BloombergRadio, and others to share their thoughts on matters that impact our clients.

Given the recent events impacting investors and their financial security, we would welcome the opportunity to provide a second opinion for anyone who would like to have a check-up on their investments, financial plan or estate plan. If you know of anyone who may have a concern with their current advisor or current investment portfolio, we encourage you to share our contact information with those that could benefit from a complimentary review.

Please visit us at <http://www.wealthtrust-arizona.com>

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