



## WealthTrust - Arizona

8434 E Shea Blvd  
 Scottsdale, AZ 85260  
 480-483-7300  
 info@wealthtrust-arizona.com  
 www.wealthtrust-arizona.com



# Market Week: November 24, 2014

## The Markets

Unexpected changes in monetary policy in China and support for additional stimulus in Europe helped propel the Dow industrials and S&P 500 to fresh record highs on Friday. Large caps, many of which earn a substantial portion of their revenues overseas, benefitted most, while the Nasdaq and Russell 2000 small caps ended with little changed.

Market/Index	2013 Close	Prior Week	As of 11/21	Weekly Change	YTD Change
<b>DJIA</b>	16576.66	17634.74	17810.06	.99%	7.44%
<b>Nasdaq</b>	4176.59	4688.54	4712.97	.52%	12.84%
<b>S&amp;P 500</b>	1848.36	2039.82	2063.50	1.16%	11.64%
<b>Russell 2000</b>	1163.64	1173.80	1172.42	-.12%	.75%
<b>Global Dow</b>	2484.10	2529.28	2559.75	1.20%	3.05%
<b>Fed. Funds</b>	.25%	.25%	.25%	0%	0%
<b>10-year Treasuries</b>	3.04%	2.32%	2.31%	-1 bps	-73 bps

Chart reflects price changes, not total return. Because it does not include dividends or splits, it should not be used to benchmark performance of specific investments.

## Last Week's Headlines

- Tacitly acknowledging signs of slowing growth, China's central bank unexpectedly cut two key interest rates to try to stimulate domestic consumption. Meanwhile, European Central Bank President Mario Draghi once again said the ECB is ready to adopt additional stimulus measures if necessary to fight the threat of low inflation.
- President Obama announced a program that will defer deportation for undocumented immigrants and allow them to receive work permits if they have been in the country for at least five years, have no criminal record, and/or have children who are American citizens. The program would not grant permanent resident status or provide for coverage under the Affordable Care Act. However, those affected would receive Social Security cards and would have to pass background checks and pay taxes. Republican congressional leaders criticized the action and said they plan to address immigration policy in 2015. House Republicans also filed suit against the Obama administration, seeking to overturn two provisions of the Affordable Care Act.
- After a second quarter of contraction, Japan is now officially in recession. The country's Cabinet Office announced that gross domestic product fell at an annualized rate of 1.6% in the third quarter. Though that was better than Q2's annualized 7.3% decline, it put pressure on Prime Minister Shinzo Abe to consider postponing a second round of sales tax increases scheduled for October. The higher taxes were designed to attack Japan's high sovereign debt.
- Minutes of the Federal Reserve's monetary policy committee's most recent meeting showed that last month's end to bond-buying efforts came about despite concerns about the potential impact of slowing





#### Key Dates/Data Releases

11/25: Q3 revised GDP, home prices

11/26: Durable goods orders, personal income/spending, new home sales

growth overseas on the U.S. economy. The committee also will watch for signs of falling inflation, which could potentially delay any rate increase.

- After a strong increase in September, industrial production slumped 0.1% in October. The Federal Reserve Board said that though manufacturing output was up, strong declines in mining and utilities offset it. Meanwhile, both the Empire State and Philly Fed manufacturing surveys showed business activity accelerating in November.
- Falling gas prices helped offset increases in housing costs, leaving the Consumer Price Index relatively unchanged in October. That put the inflation rate for the last 12 months at 1.7%, according to the Bureau of Labor Statistics. Meanwhile, wholesale prices rose 0.2% during the month, putting the wholesale inflation rate for the last 12 months at 1.5%--the lowest annualized rate since February.
- Housing starts slipped 2.8% during October. However, the Commerce Department said they were 7.8% higher than the previous October, and building permits were up 4.8% for the month. Meanwhile, existing home sales were not only up 1.5% in October, but the year-over-year gain was at its highest level since October 2013. The National Association of Realtors® said the median home-resale price--\$208,300--is 5.5% higher than it was in October 2013.

### Eye on the Week Ahead

With many traders heading out for the Thanksgiving holiday, light trading volumes could exaggerate any market movements during the holiday-shortened week ahead, which includes revisions to U.S. GDP.

*Data sources: Economic: Based on data from U.S. Bureau of Labor Statistics (unemployment, inflation); U.S. Department of Commerce (GDP, corporate profits, retail sales, housing); S&P/Case-Shiller 20-City Composite Index (home prices); Institute for Supply Management (manufacturing/services). Performance: Based on data reported in WSJ Market Data Center (indexes); U.S. Treasury (Treasury yields); U.S. Energy Information Administration/Bloomberg.com Market Data (oil spot price, WTI Cushing, OK); www.goldprice.org (spot gold/silver); Oanda/FX Street (currency exchange rates). 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.*

*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 2,000 U.S. small-cap common stocks. The Global Dow is an equally weighted index of 150 widely traded blue-chip common stocks worldwide. Market indices listed are unmanaged and are not available for direct investment.*

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### 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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