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# Market Week: May 12, 2014

## The Markets

A fresh closing high on the Dow on Friday finally enabled it to edge back into positive territory for the year, while the S&P 500 ended the week basically flat. However, after the prior week's respite from selling pressure, the Nasdaq and the small caps of the Russell 2000 returned to their recent losing ways.

Market/Index	2013 Close	Prior Week	As of 5/9	Weekly Change	YTD Change
<b>DJIA</b>	16576.66	16512.83	16583.34	.43%	.04%
<b>Nasdaq</b>	4176.59	4123.90	4071.87	-1.26%	-2.51%
<b>S&amp;P 500</b>	1848.36	1881.14	1878.48	-.14%	1.63%
<b>Russell 2000</b>	1163.64	1128.80	1107.22	-1.91%	-4.85%
<b>Global Dow</b>	2484.10	2523.17	2520.55	-1.10%	1.47%
<b>Fed. Funds</b>	.25%	.25%	.25%	0 bps	0 bps
<b>10-year Treasuries</b>	3.04%	2.60%	2.62%	2 bps	-42 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

- Growth in the U.S. services sector accelerated in April. The Institute for Supply Management's gauge rose 2.1% to 55.2%. It was the 51st straight month of growth.
- Greater demand overseas for U.S. exports of natural gas and oil as well as aircraft helped cut the U.S. trade deficit by 3.6% in March, according to the Commerce Department. Exports were up 2.2%, while imports also rose 1.7% to their highest level in two years.
- Federal Reserve Chair Janet Yellen told a congressional committee that the Fed sees a rebound in the economy from winter's weather-induced slump, but that low inflation and slack in the housing and labor markets will most likely continue to permit interest rates to remain near zero for some time.
- Yet another data point from the Federal Reserve confirmed winter's impact on the economy during Q1. Business productivity slumped at an annualized rate of 1.7%, a far cry from the previous quarter's 2.3% increase. However, productivity was 1.4% ahead of Q1 2013. Even though workers put in more hours during the quarter, reduced output helped push unit labor costs up 4.2% for the quarter.
- The European Central Bank once again left its key interest rate unchanged at 0.25% and said that ongoing low inflation might lead to stimulus measures next month, especially if the situation in Ukraine worsens.

## Eye on the Week Ahead

With the bulk of Q1 earnings reports now in the rear-view mirror, investors will have to look to manufacturing and retail reports in both the United States and China for guidance. Inflation at both the consumer and wholesale levels is expected to remain subdued, while housing starts could show whether





#### **Key Dates/Data Releases**

**5/13: Retail sales**

**5/14: Wholesale inflation**

**5/15: Consumer inflation,  
Empire State/Philly Fed  
manufacturing surveys,  
industrial production,  
international capital flows**

**5/16: Housing starts, options  
expiration**

the housing market is emerging from its winter doldrums.

*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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