



## WealthTrust - Arizona

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# Market Week: September 2, 2014



## The Markets

Investors brushed off geopolitical fears last week and regained their appetite for risk, taking the S&P 500 to its 32nd record high of the year and returning the small-cap Russell 2000 to positive territory for 2014. Meanwhile, the yield on the benchmark 10-year Treasury hit a level it hasn't seen in more than a year as higher demand pushed prices up.

Market/Index	2013 Close	Prior Week	As of 8/29	Weekly Change	YTD Change
<b>DJIA</b>	16576.66	17001.22	17098.45	.57%	3.15%
<b>Nasdaq</b>	4176.59	4538.55	4580.27	.92%	9.67%
<b>S&amp;P 500</b>	1848.36	1988.40	2003.37	.75%	8.39%
<b>Russell 2000</b>	1163.64	1160.34	1174.35	1.21%	.92%
<b>Global Dow</b>	2484.10	2606.33	2618.91	.48%	5.43%
<b>Fed. Funds</b>	.25%	.25%	.25%	0 bps	0 bps
<b>10-year Treasuries</b>	3.04%	2.40%	2.35%	-5 bps	-69 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

- The U.S. economy grew slightly faster during the second quarter than previously thought. The Bureau of Economic Analysis said the 4.2% figure for gross domestic product was revised upward from 4% primarily because of a higher figure for commercial construction and business investment in equipment. Meanwhile, corporate after-tax profits rebounded from a -16.3% decline in Q1, rising 8.3% during Q2.
- A 318% increase in orders for commercial aircraft led to a 22.6% surge in durable goods orders in July. The Commerce Department said that excluding transportation, orders actually fell 0.8%, while business investment in equipment was down 0.5% after a strong gain the previous month.
- Sales of new homes fell 2.4% in July, according to a Commerce Department report. That raised questions about the state of the housing market, especially since the National Association of Realtors® had reported the previous week that home resales had actually risen 2.4% during the month.
- Meanwhile, home prices showed continued signs of leveling off in cities measured by the S&P/Case-Shiller 20-City Composite Index. Though the index gained 1% in June and was up 8.1% year-over-year, all 20 cities experienced slower annual growth rates for the first time since February 2008. An S&P spokesman predicted that mortgage rate increases, anticipated next year, "will further dampen price gains."
- Americans spent less and saved more in July as income growth slowed. The Commerce Department reported that consumer spending was down 0.1%, in part because of reduced auto and department store sales, while incomes rose 0.2% rather than the 0.5% seen during the previous two months. As a result, the savings rate hit 5.7%--its highest level since late 2012.



#### Key Dates/Data Releases

9/2: ISM manufacturing report, construction spending

9/3: Factory orders, Fed "beige book" report, auto sales

9/4: ISM services report, balance of trade, business productivity/costs, European Central Bank meeting

9/5: Unemployment/payrolls

- Burger King became the latest company to draw fire for so-called "tax inversion" by announcing it is negotiating to buy Canadian chain Tim Hortons. The agreement would allow Burger King to move its headquarters to Canada and reduce its corporate tax burden.
- The inflation rate in the eurozone continued to slide, hitting 0.3% in August. The decline, coupled with European Central Bank President Mario Draghi's stated willingness to consider additional economic stimulus, prompted speculation that the ECB could take action at its next meeting on September 4. The eurozone unemployment rate was 11.5%, down only slightly from a year earlier.

### Eye on the Week Ahead

In addition to monitoring an onslaught of economic data, global investors will look to the European Central Bank's Thursday meeting for possible stimulus measures similar to the ones the Federal Reserve has been winding down.

*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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