



## WealthTrust - Arizona

8434 E Shea Blvd  
Scottsdale, AZ 85260  
480-483-7300

[info@wealthtrust-arizona.com](mailto:info@wealthtrust-arizona.com)  
[www.wealthtrust-arizona.com](http://www.wealthtrust-arizona.com)



February 11, 2013

## MARKET WEEK: FEBRUARY 11, 2013

### The Markets

After suffering its first triple-digit loss of the year on Monday, the Dow fought to hang on to the prior week's 14,000 level but in the end just couldn't manage to do so. The other domestic indices managed minimal gains, and the S&P 500 hit its highest level since November 2007. Meanwhile, the Global Dow was hampered by anxiety about rising Spanish and Italian bond yields.

Market/Index	2012 Close	Prior Week	As of 2/8	Week Change	YTD Change
<b>DJIA</b>	13104.14	14009.79	13992.97	-.12%	6.78%
<b>Nasdaq</b>	3019.51	3179.10	3193.87	.46%	5.77%
<b>S&amp;P 500</b>	1426.19	1513.17	1517.93	.31%	6.43%
<b>Russell 2000</b>	849.35	911.20	913.67	.27%	7.57%
<b>Global Dow</b>	1995.96	2124.94	2110.62	-.68%	5.73%
<b>Fed. Funds</b>	.25%	.25%	.25%	0 bps	0 bps
<b>10-year Treasuries</b>	1.78%	2.04%	1.99%	-5 bps	21 bps

Equities data reflect price changes, not total return.

### Last Week's Headlines

The nonpartisan Congressional Budget Office said the annual U.S. budget deficit as a percentage of the economy will shrink in 2013 for the fourth year in a row. The estimated \$845 billion deficit would be less than \$1 trillion for the first time in five years, and represent only 5.3% of GDP--roughly half the ratio of 2009. The bad news? Without tax and spending changes, the CBO said that the total national debt will be at 77% of GDP in 10 years and growing, largely because of rising health-care costs for an aging population and interest payments on federal debt.

The U.S. trade deficit shrank to its lowest point in almost three years as a result of record oil exports. According to the Commerce Department, the trade deficit fell more than 20% to \$38.5 billion.

The U.S. Treasury said it will launch its first new investment product in 15 years when it auctions floating-rate notes sometime in 2013. The Treasury also said it plans to increase issuance of Treasury Inflation-Protected Securities (TIPS) this year.

New factory orders were up 1.8% in December, with an 11.7% jump in transportation-related orders leading the way, according to the Commerce Department. It's the third increase in factory orders in the last four months.

The U.S. services sector grew at a slightly slower pace in January. The Institute for Supply Management's index registered 55.2% for the month. That's slightly lower than December's 55.7%, but any figure above 50% represents growth, and it's better than the 53.1% of the ISM's manufacturing index.

The U.S. Justice Department filed suit against Standard & Poor's, charging that during the three years prior to October 2007, the ratings service deliberately inflated its ratings of certain mortgage-backed bonds because of its own business concerns.

Bond yields for Spanish and Italian sovereign debt rose to 5.4% and 4.5% respectively after Spanish Prime Minister Mariano Rajoy's political party was accused of taking kickbacks and as polls showed new strength by former Prime Minister Silvio Berlusconi as Italy's February 24-25 elections get closer.

## Eye on the Week Ahead

As earnings season winds down, the approaching March 1 deadline for implementation of the sequestered federal budget cuts may begin to get renewed investor attention. Retail sales may give insight into the consumer mindset.

Key dates and data releases: retail sales, business inventories (2/13); industrial production, options expiration (2/15).

*Data sources: 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.*

*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.*

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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.

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