



# Market Week: February 27, 2012

## The Markets

The S&P 500 followed the Dow in hitting a year-long high. Meanwhile, the Dow crept over 13,000 repeatedly (though it could never quite manage to hold on to that level through the closing bell) and the Nasdaq saw its highest close since 2000. Concern over tensions with Iran helped send oil to \$109 a barrel.

Market/Index	2011 Close	Prior Week	As of 2/24	Week Change	YTD Change*
DJIA	12217.56	12949.87	12982.95	.26%	6.26%
Nasdaq	2605.15	2951.78	2963.75	.41%	13.77%
S&P 500	1257.60	1361.23	1365.74	.33%	8.6%
Russell 2000	740.92	828.68	826.92	-.21%	11.61%
Global Dow	1801.60	1989.39	2000.96	.58%	11.07%
Fed. Funds	.25%	.25%	.25%	0 bps	0 bps
10-year Treasuries	1.89%	2.01%	1.98%	-3 bps	9 bps

\*Equities data reflect price changes, not total return.

## Last Week's Headlines

- The National Association of Realtors® said home resales in January saw a strong increase of 4.3%. That's the third increase in the past four months, and it put sales 0.7% ahead of the same time last year. However, the \$154,700 median sales price was down 2% from last year's \$157,900.
- Sales of new homes were down in January for the first time in five months. However, according to the Commerce Department, the 0.9% decline still left sales 3.5% higher than the year before, though the median price of \$217,000 was down 9.6% from January 2011.
- President Obama proposed a menu of sweeping changes to the corporate tax code. Though any reform legislation would have to go through Congress, options outlined in the proposal include cutting the top corporate tax rate from 35% to 28% (a 25% effective tax rate for U.S. manufacturing companies), eliminating certain deductions and tax credits for the oil and gas industry and making clean-energy incentives permanent, simplifying tax filing for small businesses and expanding their ability to expense investments, taxing carried interest as ordinary income, instituting a minimum tax on overseas profits, revamping taxation of pass-through entities, and reducing the deductibility of corporate interest payments.
- Officials of the G-20 nations postponed until April a decision on committing additional resources to the International Monetary Fund, saying they want to gauge the progress of rescue efforts within the eurozone itself.
- The European Commission's economic arm predicted stagnating growth in the EU and a mild (-0.3%) recession for the eurozone this year.

## Eye on the Week Ahead

Domestic economic data on gross domestic product, manufacturing, personal income, and housing will shed light on the likelihood of



continued economic growth, while oil will be watched for its potential impact on gas prices and the recovery. Also, Germany's governing body is scheduled to vote on the country's participation in the new bailout, and eurozone leaders will meet at week's end to review whether to increase funding for the joint lending facilities set up to deal with the sovereign debt crisis.

Key dates and data releases: pending home sales (2/27); durable goods orders, home prices, consumer confidence (2/28); second estimate of Q4 gross domestic product, Fed beige book release (2/29); auto sales, personal income/spending, U.S. manufacturing, construction spending (3/1).

*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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## About WealthTrust - Arizona

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