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March 19, 2012

### MARKET WEEK: MARCH 19, 2012

#### The Markets

Between the relative calm over Greece, the Fed's stand-pat stance, and a tiny bit of easing on the oil front, investors felt comfortable fleeing the low yields of U.S. Treasuries. That sent yields soaring, particularly at the shorter end of the spectrum; as bond prices fell, the benchmark 10-year yield hit a level not seen since last August. Equities benefitted across the board. The S&P 500 had its best week of the year and closed above 1,400 for the first time since May 2008, while the Dow recaptured 13,000 and tied its 2012 weekly record.

Market/Index	2011 Close	Prior Week	As of 3/16	Week Change	YTD Change*
DJIA	12217.56	12922.32	13232.62	2.40%	8.31%
Nasdaq	2605.15	2988.34	3055.26	2.24%	17.28%
S&P 500	1257.60	1370.87	1404.17	2.43%	11.65%
Russell 2000	740.92	817.00	830.18	1.61%	12.05%
Global Dow	1801.60	1979.18	2033.09	2.72%	12.85%
Fed. Funds	.25%	.25%	.25%	0 bps	0 bps
10-year Treasuries	1.89%	2.04%	2.31%	27 bps	42 bps

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

#### Last Week's Headlines

No news is good news: The Federal Reserve continued to stay the course on both interest rates and its Operation Twist bond purchases. The statement said the Fed expects higher gas prices to boost inflation temporarily but not long term, and that global financial markets have eased but continue to pose significant downside risks.

Spiking gas prices translated into spiking consumer inflation in February. According to the Bureau of Labor Statistics,

most of the 0.4% increase was the result of a 6% jump in gas prices during the month; excluding food and energy, costs were up only 0.1%. Meanwhile, wholesale prices were up 0.4%, with energy once again accounting for the bulk of the increase. However, the 3.3% wholesale increase since February 2011 was the smallest yearly figure since August 2010.

Dramatically reduced exports helped create China's largest monthly trade deficit in two decades. According to China's General Administration of Customs, a 40% increase in imports helped push February's trade deficit to \$31.5 billion, though China's lunar New Year holiday in January also may have affected the monthly figures.

The Federal Reserve's March surveys of manufacturing in the Philadelphia and New York regions showed continued expansion at a moderate pace. Meanwhile, the Commerce Department said a manufacturing slowdown and lower natural gas extraction kept U.S. industrial production relatively unchanged.

Fifteen large banks passed the Federal Reserve's stress tests and will be able to increase dividends or institute stock buy-backs, which some have announced plans to do. However, four others--Ally Financial, SunTrust Banks, MetLife, and Citigroup--must resubmit plans that show they have sufficient capital reserves to handle a financial crisis.

February's retail sales were up 1.1% from the previous month and 6.3% higher than February 2011, according to the Commerce Department. Not surprisingly, gas prices were up the most, but car dealers, clothing and department stores, and building/garden supplies dealers also saw 1%+ increases; building/garden materials and equipment were up 13.8% from the same time last year.

## Eye on the Week Ahead

With conditions in place for Greece to make its bond payments on Tuesday, domestic housing data could suggest whether the relatively benign housing statistics of recent months were produced by mild weather or the beginning of a genuine recovery.

Key dates and data releases: housing starts, Greek bond payments due (3/20); home resales (3/21); new home sales, weekly new jobless claims (3/23).

*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

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

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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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