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MARKET WEEK: APRIL 16, 2012

The Markets

Spanish bullfight: Continued concern about surging bond yields in Spain sent equities down both here and abroad. The Dow followed last week's downdraft with three days of triple-digit losses; its fourth straight losing week was a sad distinction shared by the Global Dow. Of the four domestic indices, only the small-cap Russell 2000 escaped having its worst week so far this year, though the S&P 500 and the Nasdaq managed to remain above 1,300 and 3,000 respectively. Despite high gas prices, oil slid closer to \$100 a barrel, while the 10-year Treasury yield hovered around 2%.

Market/Index	2011 Close	Prior Week	As of 4/13	Week Change	YTD Change
DJIA	12217.56	13059.39	12849.59	-1.61%	5.17%
Nasdaq	2605.15	3080.50	3011.33	-2.25%	15.59%
S&P 500	1257.60	1397.99	1370.27	-1.98%	8.96%
Russell 2000	740.92	818.18	796.30	-2.67%	7.47%
Global Dow	1801.60	1950.61	1909.67	-2.10%	6.00%
Fed. Funds	.25%	.25%	.25%	0 bps	0 bps
10-year Treasuries	1.89%	2.07%	2.02%	-5 bps	13 bps

Equities data reflect price changes, not total return.

Last Week's Headlines

Consumer inflation rose 0.3% in March, according to the Bureau of Labor Statistics. That put the annual inflation rate at 2.7%, slightly lower than the previous month's 2.9%. Meanwhile, a decline in energy costs helped keep wholesale prices relatively static in March despite a 0.2% increase in wholesale food prices. So-called core inflation, which

excludes food and energy, was up 0.3% at the wholesale level.

The pain in Spain: Spanish bond yields continued to rise, hitting 5.93% after the Bank of Spain reported that Spanish banks nearly doubled their borrowing from the European Central Bank last month. The Italian 10-year yield wasn't far behind at 5.52%, raising concerns yet again about the adequacy of European rescue funds.

The U.S. trade deficit fell 12.4% in February, to \$46 billion. Exports were up by \$0.2 billion, while an 18% drop in imports from China left imports overall down \$6.3 billion.

China's economy grew at an annual rate of 8.1% during the first quarter; that's substantially lower than the previous quarter's 8.9%. Meanwhile, food prices helped push China's consumer inflation rate up 0.4% to an annual rate of 3.6%--still within the government's 4% target range--while wholesale prices were down 0.3% from a year ago.

Winning megamillions: Just over a dozen employees of Instagram, creators of a photo-sharing app for mobile devices, will split the \$1 billion that Facebook agreed to pay for the two-year-old company.

The Federal Reserve's "beige book" report said the economy continued to expand at a "modest to moderate" pace, but noted concerns about higher oil prices. Though hiring was said to be steady or slightly up in many districts, employers also reported difficulty in finding qualified, high-skilled workers.

Eye on the Week Ahead

With earnings season under way and several key banks reporting this week, forward guidance about coming quarters could be even more influential than the earnings themselves. Manufacturing, housing, and retail data will suggest the state of the recovery.

Key dates and data releases: retail sales, Empire State manufacturing survey, business inventory levels, international capital flows (4/16); housing starts, industrial production (4/17); weekly new unemployment claims, home resales, Philly Fed manufacturing survey (4/19).

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

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