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MARKET WEEK: MAY 28, 2013

The Markets

Once again, devastating events far from Wall Street helped put market losses into perspective as Oklahomans coped with the impact of a catastrophic tornado. Even a hint that the Fed might be closer to cutting back on its economic support helped turn a 155-point gain in the Dow into a 276-point intraday swing at one point on Wednesday, and domestic equities continued to struggle the rest of the week. Meanwhile, the Fed's comments, coupled with weak Chinese manufacturing data and spikes in Japanese bond yields, helped prompt a 7.3% sell-off in Japan's Nikkei index.

Market/Index	2012 Close	Prior Week	As of 5/24	Week Change	YTD Change
DJIA	13104.14	15354.40	15303.10	-0.33%	16.78%
Nasdaq	3019.51	3498.97	3459.14	-1.14%	14.56%
S&P 500	1426.19	1667.47	1649.60	-1.07%	15.66%
Russell 2000	849.35	996.28	984.28	-1.20%	15.89%
Global Dow	1995.96	2234.46	2208.01	-1.18%	10.62%
Fed. Funds	.25%	.25%	.25%	0 bps	0 bps
10-year Treasuries	1.78%	1.95%	2.01%	6 bps	23 bps

Equities data reflect price changes, not total return.

Last Week's Headlines

Fed Chairman Ben Bernanke told Congress he was reluctant to reduce the Fed's stimulus efforts too quickly. However, if the Fed's job is to take away the punchbowl just as the party's getting started, investors seemed to view minutes of the most recent monetary policy meeting as some sort of last call. The minutes showed that some members had suggested

winding down bond purchases as early as June, depending on economic conditions. However, Bernanke said an initial cut in bond purchases wouldn't automatically mean continued reductions.

New home sales saw their strongest increase since July 2008 as a 2.3% jump in April put sales 29% ahead of April 2012, according to the Commerce Department. Also, the Federal Housing Finance Agency, which oversees Fannie Mae and Freddie Mac, said prices on homes bought with loans from the two companies were up 1.3% in March.

Limited inventory and tight credit continued to constrain sales of existing homes, according to the National Association of Realtors®, which said sales were up 0.6% in April and 9.7% above a year earlier.

Durable goods orders rebounded in April from the previous month's sharp decline, increasing 3.3% over the month. The Commerce Department also said that even aside from the always volatile aircraft sector, orders were up 1.3%, and business spending on equipment also rose 3.3%.

Another bite at the Apple: The tech giant became the latest company to have to answer questions about its escape from a major tax liability, prompting renewed debate over the corporate tax code. A U.S. Senate committee found that a conflict between U.S. and foreign tax policies had allowed Apple to legally avoid being taxed anywhere on roughly \$74 billion of revenues earned overseas and held in foreign subsidiaries.

Tail of the whale: JPMorgan Chase's Jamie Dimon, who had come under fire after the bank lost billions as a result of the so-called "London Whale" trading fiasco, managed to retain his status as both board chairman and CEO.

Eye on the Week Ahead

Investors will see if the 2.5% initial estimate of Q1 economic growth holds, and whether consumer spending was affected in April by payroll taxes and federal budget cuts.

Key dates and data releases: home prices, Dallas Fed manufacturing survey (5/28); revised estimate of Q1 GDP (5/30); personal income/spending (5/31).

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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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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