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MARKET WEEK: JUNE 10, 2013

The Markets

All's well that ends well: After losing 217 points on Wednesday, the Dow came roaring back with a 207-point gain two days later. Despite all the volatility, domestic equities managed minimal gains for the week across all four indices. Investors seemed reassured that the unemployment rate showed continued stabilization of the economy but not enough progress to bring on a quick end to the Fed's economic support.

Market/Index	2012 Close	Prior Week	As of 6/7	Week Change	YTD Change
DJIA	13104.14	15115.57	15248.12	.88%	16.36%
Nasdaq	3019.51	3455.91	3469.22	.39%	14.89%
S&P 500	1426.19	1630.74	1643.38	.78%	15.23%
Russell 2000	849.35	984.15	987.62	.35%	16.28%
Global Dow	1995.96	2185.46	2164.80	-.95%	8.46%
Fed. Funds	.25%	.25%	.25%	0 bps	0 bps
10-year Treasuries	1.78%	2.16%	2.17%	1 bps	39 bps

Equities data reflect price changes, not total return.

Last Week's Headlines

Steady as she goes: The unemployment rate nudged upward slightly to 7.6% in May as 175,000 jobs were added to the nation's payrolls and more people sought work, expanding the potential labor force. The Bureau of Labor Statistics said the private sector added 178,000 jobs, while 3,000 government jobs were eliminated.

For the first time since November, the Institute for Supply Management's survey of manufacturing activity indicated

contraction with a 49% reading in May (any number below 50% represents not just slower growth but contraction). The Commerce Department said factory orders for U.S. goods rebounded from a sharp decline in March, but April's 1% increase was primarily the result of transportation-related orders. Aside from those, orders were down 0.1%.

Growth in the U.S. services sector accelerated in May, according to the Institute for Supply Management's survey. May's 53.7% reading was 0.6% higher than April's 53.1%, and was the 41st straight month of growth.

The Federal Reserve's "beige book" report continued to see "modest to moderate" economic activity. Manufacturing, tourism, residential real estate/construction, and bank lending saw fairly uniform gains in much of the country. Wage pressures remained contained, though some Fed districts reported difficulty finding qualified workers.

Construction spending rose 0.4% in April; the Commerce Department said private construction was up 1%, though residential spending fell 0.1%. Public construction was down 1.2% for the month.

To try to prevent the sort of massive redemptions that posed problems during the 2008 financial crisis, the Securities and Exchange Commission unveiled two proposals for changing how some money market funds operate. One proposal would require institutional money market funds to more accurately reflect changes in the fund's net asset value (NAV) by trading at a floating NAV rather than a stable \$1-per-share price.* (Retail money market fund--those that don't permit a shareholder to redeem more than \$1 million in a single day--and funds that hold mostly government securities would be exempt.) The second proposal would establish a liquidity fee if a fund's weekly liquid assets fell below 15% of its total assets; in that case, the fund also could restrict redemptions for up to 30 days. The SEC also might combine the two proposals; the public will have 90 days to comment.

After a sharp decline in March, the U.S. trade deficit widened 8.6% in April, according to the Commerce Department. Exports rose more than 1%, but a 21% increase in imports from China pushed imports up 2.4% overall.

The European Central Bank kept its key interest rate unchanged at a record low of 0.5% despite the ECB's forecast of a 0.6% contraction in the European economy in 2013. The estimate was more pessimistic than the previous estimate of a 0.5% contraction, but the 2014 forecast was revised upward to 1.1% growth rather than 1%.

Eye on the Week Ahead

U.S. economic data will be skimpy, though retail sales numbers could suggest the state of the consumer's pocketbook. The Bank of Japan's announcement on monetary policy might be of interest, since it could mean additional economic stimulus there. Investors will watch to see if domestic equities head back toward May's record highs or continue to see volatility.

Key dates and data releases: retail sales, business inventories, 30-year Treasury bond auction (6/13); wholesale prices, industrial production (6/14).

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.

**Though money market funds attempt to maintain a stable \$1-per-share price, there is no guarantee they will always do so, and it is possible to lose money investing in a money market fund. A money market fund is not insured or guaranteed by the FDIC or any other government agency.*

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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.

Please visit us at <http://www.wealthtrust-arizona.com>

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