



## WealthTrust - Arizona

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August 20, 2012

## MARKET WEEK: AUGUST 20, 2012

### The Markets

Equities had a sixth consecutive week of gains, with the small caps of the Russell 2000 leading the way for a change. The S&P 500 ended the week only a single point away from its year-to-date closing high, and the Nasdaq continued to be the best performer of 2012. Meanwhile, renewed appetite for risk left the 10-year Treasury yield only 8 points from where it began the year.

Market/Index	2011 Close	Prior Week	As of 8/17	Week Change	YTD Change
<b>DJIA</b>	12217.56	13207.95	13275.20	.51%	8.66%
<b>Nasdaq</b>	2605.15	3020.86	3076.59	1.84%	18.10%
<b>S&amp;P 500</b>	1257.60	1405.87	1418.16	.87%	12.77%
<b>Russell 2000</b>	740.92	801.55	819.89	2.29%	10.66%
<b>Global Dow</b>	1801.60	1880.18	1893.85	.73%	5.12%
<b>Fed. Funds</b>	.25%	.25%	.25%	0 bps	0 bps
<b>10-year Treasuries</b>	1.89%	1.65%	1.81%	16 bps	-8 bps

Equities data reflect price changes, not total return.

### Last Week's Headlines

The Bureau of Labor Statistics said consumer prices saw no change in July, leaving the annual inflation rate at 1.4%. Energy costs, primarily for electricity, natural gas, and fuel oil, fell 0.3%, offsetting a 0.1% increase in food prices. Not including food and energy, core consumer inflation rose only 0.1% for the month.

U.S. industrial production was up 0.6% in July, according to the Federal Reserve. That was substantially higher than the 0.1% increases seen in May and June, and 4.4% higher than last July. Also, usage of the nation's manufacturing

capacity rose to 79.3%; that's the highest level since April 2008. However, manufacturing activity in the Fed's Philadelphia and New York regions contracted by 7.1% and 5.9% respectively.

U.S. retail sales were up 0.8% in July. According to the Commerce Department, that was the first increase in four months and put sales 4.1% ahead of last July. Nonstore retailers were up almost 12% from a year ago, and sales of sporting goods, hobbies, books, and music rose almost 11% in the same time; both categories also saw the strongest monthly gains.

After a 6.8% increase in June, housing starts fell 1.1% in July, though the Commerce Department said they were still 21.5% higher than the previous July. Prospects for future construction improved as the number of new building permits increased 6.8% to hit a level that was almost 30% higher than July 2011.

The Conference Board's index of leading economic indicators continued to seesaw, rising 0.4% in July after June's decline and an increase in May. The biggest contributors were growth in housing permits and lower first-time unemployment claims.

## Eye on the Week Ahead

With continued low trading volumes expected, economic reports from Europe could have as much impact as domestic data, while minutes of the Fed's internal debates about further economic stimulus also will receive attention.

Key dates and data releases: Federal Open Market Committee minutes, home resales (8/22); new home sales (8/23); durable goods orders (8/24).

*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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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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