

January 24, 2011

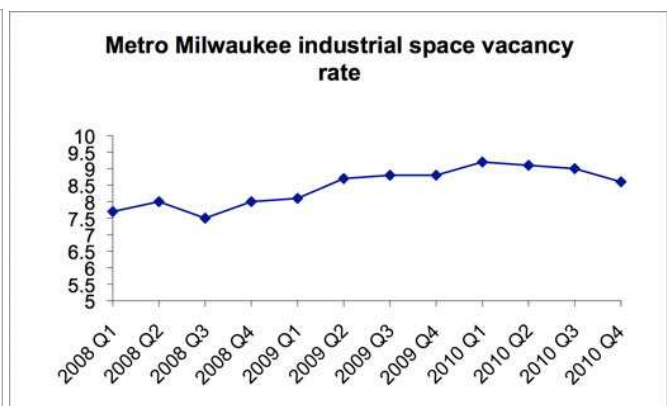
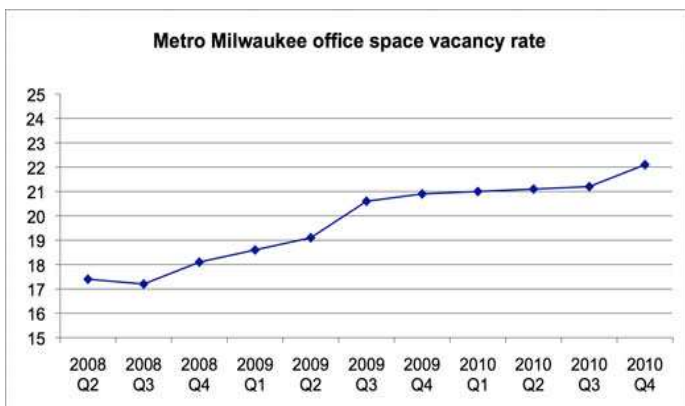
## Weekly Economic Update

Attached you will find this week's Economic Update:

**Stocks and Commodities:** The big blue-chip stocks of the Dow Jones Industrials Average powered through the week, closing up 0.7%. But the broader Nasdaq and more defined other equity indexes fell across the board (the Russell 2000 falling over 4%). The price of Oil fell over 2.5% to less than \$90 a barrel, while the price of Gold dropped again and is now down \$80 from the beginning of the year.

**Bond, Mortgage and Deposit Rates:** Treasury yields remained stable last week with only the longer-term bond yields rising about 4 to 9bp. LIBOR rates remained steady, as Swap rates rose up to 8 basis points on the longest term maturities. Interest rates on 30-year national and local mortgages are rising as benchmarks also rise. Freddie Mac's 30-year products rose 3bp while its other product rates fell. The average earnings rate on state and local Money Market accounts and CDs remained the same as the week before.

**Office space vacancy up, Industrial vacancy down:** Office vacancy in SE Wisconsin is up to 22.1% in 4<sup>th</sup> Qtr 2010: Downtown Milwaukee vacancy is 18.5% east of the Milwaukee River and 34.0% west of the river. The region's industrial market is faring better with an 8.6% industrial vacancy in rate in 4<sup>th</sup> Qtr, down from 9.0% Q-O-Q. The lowest industrial space vacancy rate is in Sheboygan County (4.1%) and the highest is in Ozaukee County (13.5%).



Thanks for reading,

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