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Weekly Economic Update

Attached you will find this week's Economic Update:

Stocks and Commodities: Stocks fell dramatically last week as the Dow Jones Industrials average ended the week down 125 points (1%) after falling 228 points on Thursday. Surprisingly the stock market crumble was not from the earthquake in Japan, but rather the large deficit in the federal budget. The price of Gold also fell 0.5% to finish at $1,421.80 (it started the year at $1,421.40). The price of Oil receded to $101.16 (down 3%).

Bond, Mortgage and Deposit Rates: Longer-term Treasury yields fell 5 to 10 basis points as the yield curve got slightly flatter. LIBOR rates remained steady, but Swap rates again mirrored the Treasury yields falling in mixed maturities of 6 to 13 basis points. The lower bond yields helped lower both the national and local average mortgage rates with local rates dropping the most. Rates on Freddie Mac's mortgage products remained stable. Interest rates on state and local Money Market accounts and CDs were also stable but trending lower.

If I had only stayed in the Market!!! Last Wednesday marked the two-year anniversary of the beginning of a bull run on the stock market. On March 9, 2009, the Dow Jones Industrial Average closed at 6,547 and the S&P 500 Index closed at 677, low points in the modern era. Two years later, and Dow and the S&P have climbed 84% and 93%, respectively. That is the strongest two-year bull market since 1962, and one that added $6.2 trillion in market capitalization to the S&P 500.

Thanks for reading,

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