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Weekly Economic Update

Attached you will find this week's Economic Update:

Stocks and Commodities: Stocks were mixed this week on bad news (rising oil prices) and good news (employment numbers). The Dow Jones Industrial Average and other major equity indexes finished up less than ½ of 1%. The price of Gold rose \$19 an ounce to \$1,428.60 and is now priced higher than YE2010. The price of Oil shot 6.7% higher to settle at almost \$105 a barrel (that's up more than \$18 or 20% in just 2 weeks).

Bond, Mortgage and Deposit Rates: Treasury yields gained in the longer term as the 30-year Bond gained 10bp and the spread between the 2-year Note and 10-year Bond gained the same. LIBOR rates were stable, but Swap rates mirrored the Treasury yields falling 2bp on the 2-year and gaining 8bp on the longer term. National and local mortgage rates remained somewhat stable with pockets of rates rising and falling a few basis points. Rates on all of Freddie Mac's mortgage products decreased 7 to 8bp. Interest rates on state and local Money Market accounts and CDs stayed the same except the yield on 5-year CDs rose 5bp.

You can argue Both Sides: According to USA Today, Wisconsin is one of 41 states where public employees earn higher average pay and benefits than private workers in the same state. Yet the compensation of Wisconsin's government workers ranks below the national average for non-federal public employees and has increased only slightly since 2000. An analysis of government data shows public employee compensation has grown faster than the earnings of private workers since 2000 primarily from the rising value of benefits. Wisconsin is typical with state, city and school district workers earning an average of \$50,774 in wages and benefits in 2009, about \$1,800 more than in the private sector. The state ranked 33rd in public employee compensation among the 50 states and Washington, D.C. It had ranked 20th in 2000. In contrast, California's public employees enjoyed soaring compensation throughout that state's decade-long budget crisis. The analysis included full- and part-time workers and did not adjust for specific jobs, age, education or experience. In an earlier job-to-job comparison, USA Today found that state and local government workers make about the same salary as those in the private sector but get more generous benefits.

Thanks for reading,



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