

# Wohre LLC

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## Weekly Economic Update

Attached you will find this week's Economic Update:

**Stocks and Commodities:** The Dow Jones Industrials Average regained its pre-crash level last week, two hard years after the collapse of Wall Street giant, Lehman Brothers. The DJIA has risen 75% since its March 2009 low, but remains 19% below its all-time high of October 2007. All stock indexes gained 3% or more last week. The price of Gold is rising again and getting close to \$1,400 an ounce. The price of Crude Oil gained almost 7% to finish the week just short of \$87 a barrel.

**Bond, Mortgage and Deposit Rates:** US Treasury yields were mixed (some up, some down). LIBOR and Swap rates varied also with mixed maturities gaining and losing. The average rate on national and local mortgage rates fell back few basis points last week and could go lower if the FRB begins buying back Treasury Bonds. Freddie Mac's 30-year mortgage rate remained below 4.25%. The average earnings rate on state and local Money Market accounts and CDs were steady, except long-term CDs fell a couple of basis points.

### **No Increases for Social Security Recipients (2<sup>nd</sup> year in a row) but inflation continues:**

#### **Rising Costs**

Although retirees will not be receiving Social Security cost-of-living adjustments for the second year in a row, many of those 65 and over say their expenses have risen in recent years. (Household average expenditures.)

Year	2007	2009
Food	\$4,515	\$4,901
Alcoholic beverages	285	292
Property taxes	1,651	1,793
Rent	1,639	1,741
Utilities, fuels and public services	3,117	3,282
Apparel and services	1,040	1,068
Transportation (includes car purchases)	5,785	5,409
Health care	4,631	4,846
Entertainment	1,966	2,062

Source: Bureau of Labor Statistics, Consumer Expenditure Survey

Thanks for reading,



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