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Weekly Economic Update

Attached you will find this week's Economic Update:

Stocks and Commodities: All of the stock markets saw big rallies last week as almost all the equity indexes rose 3%. The gains came on good news regarding the US Economy and possible continued tax cuts. Notwithstanding, Gold continued to rise another \$40 to close over \$1,400 an ounce. And the price of Crude Oil also gained over \$5 a barrel to finish the week just above \$89.

Bond, Mortgage and Deposit Rates: The Treasury yield curve grew higher last week as the 10-year Treasury Bond closed above 3% while the 2-year Treasury Note fell 4bp. LIBOR rates were steady, but short-term Swap rates lost a few basis points as longer-term Swap rates gained 12bp. The average rate on long-term national and local mortgage products is rising. Even Freddie Mac's mortgage rates were all up about 6 basis points. The average earnings rate on state and local Money Market accounts and CDs remained stable.

A Mixed Basket for Wisconsin Farmers: And you think gas prices were getting bad

- Holiday bakers are experiencing sticker shock at the grocery store as the price of retail butter is soaring to nearly \$4 a pound. Wholesale prices rose to levels that haven't been seen since 2004.
- Wisconsin milk prices are expected to average \$17.50 per hundredweight in November: \$1.30 less than October. Last year, Wisconsin farmers averaged \$15.70 per hundredweight in November. October's price of \$18.80 was the peak price for 2010 due to higher production levels and decreased beverage milk sales.
- Exports of fresh potatoes are up 14% at the end of September versus same period last year. Processed potatoes were up 32%. Only frozen potatoes saw a decrease.
- Overall, Wisconsin agricultural exports increased 37% from 3rd Qtr 2009. With more than \$1.71 billion worth of agricultural exports through September of this year to more than 150 countries. The top destination for all crops, including potatoes, was Canada, which bought about \$695 million in food from Wisconsin farmers and crop dealers – 19% more than last year.

Due to my travel schedule, there will be no Weekly Economic Update next week.

Thanks for reading,



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