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Weekly Economic Update

Following a hiatus last week, attached you will find this week's Economic Update:

Stocks and Commodities: For the past two weeks, investors have send big rallies in the stock markets, albeit last week at a slower rate. The Dow Jones Industrials are up over 10% YTD with just 9 trading days left in 2010. The largest equity gainer is the Russell 2000 at almost 25% YTD. The price of Gold seems to be peaking around \$1,400 an ounce while the price of Crude Oil is more volatile – closing this past week above \$88 a barrel.

Bond, Mortgage and Deposit Rates: The Treasury yield curve increased in that past two weeks as the yield on long-term Treasury Bonds mushroomed to within 25 to 50bp of their YE2009 rates. The the yield on 10-year US Treasuries hit a six-month high of 3.33% in just 2 days which was 100bp higher than its October low. The margin between the 2-year Treasury Note and the 10-year Treasury Bond is the same as YE2009 at 270bp. LIBOR rates were steady, but Swap rates lost a few basis points after gaining strength two weeks earlier. Mortgage rates are rising faster than the bond market. The national average rate on long-term mortgage products rose well above 5% in less than 2 weeks. The average mortgage rates in our local markets are somewhat lower but still rising. Freddie Mac's mortgage rates rose over 20bp on almost all products. The average earnings rate on state and local Money Market accounts and CDs remained stable.

The Business of Women: Women own 7.8 million businesses nationwide, accounting for 28.7% of all businesses. Those women-owned firms generated total receipts of \$1.2 trillion in 2007, the latest date that data was available. The District of Columbia has the highest percentage of women-owned businesses (34.5%), followed by Maryland (32.6%), New Mexico (31.7%) and Hawaii (31.0%). Wisconsin ranks the 15th lowest in the number of women-owned businesses at 25.9%. Wisconsin had a total of 112,402 women-owned businesses in 2007 compared to a statewide total of 434,053. Milwaukee County is better than the state average at 32.96%, while the City of Milwaukee's percentage tops the list at 35.28%.

Due to the holidays falling on the weekend, there may not be enough information to publish a Weekly Economic Update next week, but we'll try. Happy Holidays to everyone and thanks for reading,



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