

W Mohre LLC

John W. Lohre
Principal

September 13, 2010

Weekly Economic Update

Attached you will find this week's Economic Update:

Stocks and Commodities: The Dow Jones Industrials Average continued to rise last week and is now up 0.3% for the year. All other equity indexes (with the exception of the Russell 2000) also posted gains last week, but are still in the "red" for 2010. The price of Gold finally fell back a little to settle below \$1,250 an ounce, but remains up almost 14% for the year. The price of Crude Oil gained almost \$2 a barrel to settle at \$76.45.

Bond, Mortgage and Deposit Rates: The yield curve steepened a little last week as the 2-year Note rose 5bp but the 10-year Bond rose 9bp. While LIBOR rates were stable, Swap rates gained 7bp to 10bp (more than Treasury Notes and Bonds). The average 30-year mortgage rate increased for the first time since June (Freddie Mac's 30-year mortgage rate gained 3bp). However national and local rates on a 5-year ARM continued to fall. State and local Money Market and short-term CD rates were stable, but longer-term rates decreased 4bp.

You're Driving Me Crazy: According to the Allstate 2010 America's Best Drivers Report, Milwaukee-area drivers are improving since last year, putting the area in the top quarter of cities. Allstate Insurance ranked 200 of the largest US cities using car collision frequency data. Milwaukee ranked 42nd, down from #19 in 2009, but the average years between accidents shortened to 10.6 years from 11.2 years. Milw-area drivers are about 6% less likely than the average U.S. driver to get into a fender-bender. Auto crashes in general have declined over the last few years, but crash fatalities still average around an alarming 35,000 every year. The nation's safest drivers are in Fort Collins, CO, where drivers' accident likelihood is one every 14.5 years, nearly a 1/3 less than the national average. Where are the nation's worst drivers? Stay away from Washington, D.C., where drivers are nearly twice as prone to accidents as the average U.S. driver – every 5.1 years.

Thanks for reading,



Contributing Editor

12960 W. Bluemound Road
Elm Grove, WI 53122
Office: (262) 797-2172

DISCLAIMER: any opinions or perceived endorsements expressed in this publication are those of the author and not the belief or perception of any person or entity associated with the author. It is not the intent of this publication to create any explicit or implicit opinion or endorsement regarding its subject matter.