

Mohre LLC

John W. Lohre
Principal

September 20, 2010

Weekly Economic Update

Attached you will find this week's Economic Update:

Stocks and Commodities: The Dow Jones Industrials Average gained again last week (up 1.4%) and is now up 1.7% for the year. All other equity indexes also posted gains last week (only the EAFE international index is still in the "red" for 2010). The price of Gold and Silver hit new modern highs as worries about the future economic climate in the world prevailed. Gold settled at \$1,277.50 an ounce, and is up almost 17% for the year. The price of Crude Oil lost almost \$3 a barrel to close at \$73.66.

Bond, Mortgage and Deposit Rates: The US Treasury yield curve flattened last week as bond prices gained. The 2-year Note fell 10bp as the 10-year Bond also dropped below 2.75%. LIBOR rates fell a few basis points, as the 2- and 3-year Swap rates dropped 9bp while longer-term Swaps gained 5bp (opposite the Treasury Note and Bond markets). The average national and local 30-year mortgage rate increased again this week; even Freddie Mac's 30-year mortgage rate gained 2bp. Note: The average state and local Money Market rates are 10bp higher than an average 3-month CD. All local and state CD rates decreased a couple basis points.

Let's Settle this Score: Even though consumer credit card debt is down 3% since January, consumers' credit scores are worse. Credit scores are down 2 points on average since the start of the year. California is tied with New Jersey and Massachusetts for the highest average credit score in the country: 685. Arkansas has the lowest average credit score at 640. Nationally, the average consumer with a credit card in August had:

\$7,694 in credit card debt

\$174,447 in home mortgage loans

\$51,721 in home equity

\$15,186 in car loans

\$28,183 in student loans.

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.