

Cowan Financial Group, Inc. Presents Weekly Economic Update for the Week of April 6, 2009

Quote of the week. “Nothing is a waste of time if you use the experience wisely.” – Auguste Rodin

Market shrugs off jobless data. America’s unemployment rate reached 8.5% in March, with the average workweek at 33.2 hours and only 22% of 271 industries hiring during the month, according to Labor Department statistics.¹ Yet stocks weathered the news well on Friday: all three major U.S. indices had a positive day, and Wall Street had its fourth straight winning week.²

Factory orders: +1.8% in February. That is the first gain in six months, and even better than the 1.5% gain forecast by economists polled by Reuters. Durable goods orders were up 3.5% in February, and orders for non-defense capital goods (excluding airplanes) rose 7.1%.³

Banks borrow less from Fed. On Thursday, the Federal Reserve reported a decline in borrowing from its emergency lending program by thrifts and investment firms. Banks averaged \$59.7 billion in daily borrowing during the week ending last Wednesday, down from \$62.8 billion daily the prior week. Investment firms borrowed an average of \$19.5 billion per day from the Fed during the past week, as opposed to \$20.1 billion the week before.⁴

A bit more confidence. The Conference Board’s March survey of consumer confidence inched north to 26.0 from 25.3 – a measure that consumer

confidence in America is holding steady or improving, as opposed to recent surveys in China and Europe.⁵

Dow above 8,000. The index first touched that level on Thursday and finished the week at 8,017.59. The S&P 500 wrapped up at 842.50 Friday, and the NASDAQ closed the week at 1,621.87 – up nearly 3% so far this year.²

% Change	Y-T-D	1-Year	5-Yr Avg
DJIA	-8.65	-36.50	-4.69
NASDAQ	+2.84	-31.37	-4.23
S&P 500	-6.73	-38.47	-5.25

(Source: CNNMoney.com, 4/3/09)⁶

Indices are unmanaged, do not incur fees or expenses, and cannot be invested into directly. These returns do not include dividends.

Riddle of the week. I’m found in rock, but not in stone. I’m within marrow, but not in bone. I’m learned early in school, I’m used in speech. What am I?

Contact my office or see next week’s Update for the answer.

Last week’s riddle: What 7-letter word becomes longer when its third letter is removed?

Answer: Lounger.

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Citations.

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