

## Cowan Financial Group, Inc. Presents

# Weekly Economic Update for the Week of April 20, 2009

**Quote of the week.** “Real action is in silent moments.” – Ralph Waldo Emerson

**Prices fall.** In March, the Consumer Price Index decreased by 0.1% and the Producer Price Index declined by 1.2%. Across the 12 months ending in March, the CPI dropped 0.4% and the PPI fell 3.5%. This is the first year-over-year drop in CPI since 1955 and the largest 12-month decrease in PPI since 1950.<sup>1</sup>

**Retail sales dip.** Although March showed a 1.1% decrease, revised Commerce Department figures denoted a 1.9% gain for January and a 0.3% gain in February. Redbook Research reported national chain store sales up 1.9% for the week of April 5-11.<sup>2</sup>

**Confidence rises.** The Reuters/University of Michigan preliminary consumer sentiment index came in at 61.9 for April, the best reading since September.<sup>3</sup> Also, the National Association of Home Builders confidence index hit a 6-month high.<sup>4</sup>

**Housing starts: the whole story.** Total starts fell 11% in March, but the pace of single-family homebuilding was little changed from January. Multifamily home construction, up 62% in February, fell by 29% last month.<sup>4</sup>

**Initial jobless claims fall.** In the week ending April 11, initial claims fell by 53,000 to 610,000 - the lowest weekly figure since January.<sup>4</sup>

**6-week winning streak.** The Dow rose 0.6% last week, closing Friday at 8,131.33. The S&P 500 and NASDAQ gained 1.5% and 1.2% for the week.<sup>5</sup>

% Change	Y-T-D	1-Year	5-Yr Avg
<b>DJIA</b>	<b>-7.35</b>	<b>-35.57</b>	<b>-4.44</b>
<b>NASDAQ</b>	<b>+6.09</b>	<b>-28.56</b>	<b>-3.23</b>
<b>S&amp;P 500</b>	<b>-3.73</b>	<b>-36.32</b>	<b>-4.68</b>

(Source: CNNMoney.com, 4/17/09)<sup>6</sup>

*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.** Decades ago, a historical society leased a mansion to a museum for 99 years. The mansion has already been leased for a time span equal to four-fifths of the time remaining on the lease. How much time is left on the lease?

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

**Last week's riddle:** This equation is clearly false:  $76 = 24$ . But you can take these four digits (4, 6, 2, 7) and creatively arrange them around an equal sign into a true equation. How can you pull this off? (Hint: think outside the box and think exponentially.)

**Answer:**  $7^2 = 49$ .

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### Citations.

- <sup>1</sup> [usatoday.com/money/economy/2009-04-15-consumer-prices\\_N.htm](http://usatoday.com/money/economy/2009-04-15-consumer-prices_N.htm) [4/15/09]
- <sup>2</sup> [online.wsj.com/article/BT-CO-20090414-712176.html](http://online.wsj.com/article/BT-CO-20090414-712176.html) [4/14/09]
- <sup>3</sup> [foxbusiness.com/story/markets/consumer-sentiment-makes-surprise-improvement/](http://foxbusiness.com/story/markets/consumer-sentiment-makes-surprise-improvement/) [4/17/09]
- <sup>4</sup> [bloomberg.com/apps/news?pid=20601068&sid=aly.gP4Yr97k&refer=home](http://bloomberg.com/apps/news?pid=20601068&sid=aly.gP4Yr97k&refer=home) [4/16/09]
- <sup>5</sup> [marketwatch.com/news/story/Stocks-extend-winning-stretch-six/story.aspx?guid={CE266AF6-22B1-4DB9-9537-1DFA045D0676}](http://marketwatch.com/news/story/Stocks-extend-winning-stretch-six/story.aspx?guid={CE266AF6-22B1-4DB9-9537-1DFA045D0676}) [4/17/09]
- <sup>6</sup> [money.cnn.com/data/markets/dow/](http://money.cnn.com/data/markets/dow/) [4/17/09]
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