

Cowan Financial Group, Inc. Presents

Weekly Economic Update for the Week of February 9, 2009

Quote of the week. “Learn from your dreams what you lack.” – W.H. Auden

Anticipation in Washington. Would the now-\$937 billion stimulus package pass in the Senate? Would more than \$100 billion be cut from the bill? As Senate Majority Leader Harry Reid (D-NV) noted Friday, “The world is waiting to see what we’re going to do.” Bulls ran on Wall Street last week, in anticipation of the stimulus and Treasury Secretary Tim Geithner’s Monday speech on revisions to TARP.¹ President Obama also created an Economic Recovery Advisory Board last week, featuring former Federal Reserve Chairman Paul Volcker.²

Obvious joblessness data. The markets shrugged at news that unemployment had hit 7.6% in January. America lost 598,000 jobs last month. The amount of Americans unemployed for 27 weeks or more has risen by 1.3 million over the past 12 months. The population working part-time increased by 3.1 million in the last 12 months.³

Pending home sales up 6.3%. Why was the National Association of Realtors able to report such a positive number for December? A clue: the median home price in December was \$175,400.⁴

Gold strong, oil weak. Gold stayed over \$900 last week, finishing at \$914.30 on the NYMEX. Oil futures, meanwhile, closed Friday at \$40.16.⁵

Happiness on Wall Street. The Dow gained nearly 280 points on the week, wrapping up Friday at 8,280.59. The NASDAQ erased its 2009 losses, ending Friday at 1,591.71. The S&P 500 closed Friday at 868.60, rising about 5.2% on the week. Worth noting: Bank of America shares gained 27% Friday.⁶

% Change	Y-T-D	1-Year	5-Yr Avg
DJIA	-5.65	-32.13	-4.37
NASDAQ	+0.93	-30.15	-4.58
S&P 500	-3.84	-34.52	-4.80

(Source: CNNMoney.com, 2/6/09)⁷

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. They come at night without being called. They are lost in the day without being stolen. What are they?

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

Last week’s riddle: One word, seven letters. The first two stand for a boy. The first three stand for a girl. The first four signify a brave boy, yet all seven letters signify a brave girl. What word is this?

Answer: Heroine.

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Citations.

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