

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

**Quote of the week.** "Employ thy time well, if thou meanest to get leisure." – Ben Franklin

**Jobless numbers rein in bulls.** June's jobless figures gave Wall Street pause last week. The U.S. economy lost 467,000 non-farm jobs last month, 136,000 in manufacturing. (The health care sector added 21,000 jobs.) Job losses had decreased every month from February to May after hitting a peak of 741,000 in January. Analysts had expected June job losses of about 350,000. The silver lining here? Our economy lost an average of 436,000 jobs per month in 2Q 2009, compared to 691,000 jobs per month in 1Q 2009. Yet with unemployment now at 9.5%, some voices are calling for another federal stimulus.<sup>1,2</sup>

**Good news in manufacturing.** Factory orders were up 1.2% in May – the biggest monthly increase in more than a year, noted the Commerce Department. Separately, the Institute for Supply Manufacturing said its gauge of manufacturing activity read 44.8 for June, still showing contraction but also representing the best reading since last August.<sup>3</sup>

**Pending home sales increase again.** True, the National Association of Realtors' pending home sales index only increased 0.1% for May – but it was the fourth straight monthly increase. You have to go back to July-October 2004 to find the last time that happened.<sup>4</sup> Standard & Poor's Case-Schiller Index of

home prices was down 0.6% for April; it had declined 2.2% for March. Could price declines be moderating?<sup>5</sup>

**Is the consumer more or less confident?** A week after the Reuters/University of Michigan final consumer sentiment index notched a big gain, the Conference Board's June survey recorded a big drop in consumer confidence, slipping from a 54.8 in May to a 49.3 last month. The CB's present situation index and expectations index both posted declines.<sup>6</sup>

**Tough going for stocks.** Deeper-than-expected job losses put Wall Street in a bearish mood last week.

% Change	Y-T-D	1-Year	5-Yr Avg
<b>DJIA</b>	<b>-5.65</b>	<b>-26.17</b>	<b>-3.89</b>
<b>NASDAQ</b>	<b>+13.92</b>	<b>-20.22</b>	<b>-2.09</b>
<b>S&amp;P 500</b>	<b>-0.76</b>	<b>-28.94</b>	<b>-4.07</b>

*(Source: CNBC.com, 7/3/09)<sup>7</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.** Take it out, scratch its head. Minutes later it is black, moments after it was red. What is this object?  
*Contact my office or see next week's Update for the answer.*

**Last week's riddle answer:** The time and date was 01:01:01 on 01/01/01.

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If you would like us to add them to our list, please reply with their address  
and we will contact them and ask for their permission to be added.***

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## Citations.

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