

## Charles "Chuck" W. Martino CLU, ChFC Presents Weekly Economic Update for the Week of April 19, 2010

**Quote of the week.** "The need for mystery is greater than the need for an answer." – Ken Kesey

**A little less confidence.** The preliminary April Reuters/University of Michigan consumer sentiment survey came in at 69.5, versus 73.6 at the end of March. Interestingly, the survey's expectations index slipped to its lowest level in 13 months.<sup>1</sup>

**More minimal inflation.** The Consumer Price Index advanced 0.1% in March; with food and energy prices factored out, core CPI was flat. Overall CPI increased by 2.3% during the past 12 months of data.<sup>2</sup>

**Car buying drives retail sales.** A 6.7% rise in the demand for autos sent retail purchases 1.6% higher for March. That even beat the 1.3% gain forecast by economists polled by MarketWatch.<sup>3</sup>

**Manufacturing up 0.9% last month.** So noted the Federal Reserve last week. Total industrial output rose 0.1% in March; economists surveyed by Dow Jones Newswires thought we would see a 0.8% gain.<sup>4</sup>

**Housing starts up 1.6% for March.** Besides that statistic, the Commerce Department also announced some other good news: the 5.9% February slip in this category has been revised to a 1.1% gain.<sup>5</sup>

**SEC suit sends market down.** The Securities and Exchange Commission sued Goldman Sachs Group for securities fraud over the structuring and marketing of a subprime mortgage product Friday, and stock indexes fell, ending six days of gains. The

Dow (+0.19%) and NASDAQ (+1.11%) still advanced for the week. The S&P 500 lost 0.19% last week.<sup>6</sup>

% Change	Y-T-D	1-Yr Chg	5-Yr Avg	10-Yr Avg
DJIA	+5.66	+35.61	+1.85	+0.41
NASDAQ	+9.35	+48.54	+6.01	-2.99
S&P 500	+6.91	+37.77	+0.87	-1.49
Real Yield	4/16	1 Yr Ago	5 Yrs Ago	10 Yrs Ago
10YrTIPS	1.46%	1.59%	1.67%	4.34%

(Source: CNBC.com, BigCharts.com, ustreas.gov, bls.gov, 4/16/10)<sup>6,7,8,9</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.** A room holds two sisters with their two brothers, two mothers with their two sons, two maidens with their two mothers, two grandmothers with their two granddaughters, two fathers with their two daughters, and two husbands with their two wives ... yet there are only six people in the room, all legitimately born. How is this possible?  
*Contact my office or see next week's Update for the answer.*

**Last week's riddle:** What five letters (with no letters used more than once) can be arranged in three ways to make three separate words - the first with one syllable, the second with two syllables, the third with three syllables?

**Last week's riddle answer:** AIDES - 1 syllable, ASIDE - 2 syllables, IDEAS - 3 syllables.

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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.

- 1 [blogs.wsj.com/economics/2010/04/16/consumer-sentiment-turns-down-in-april](http://blogs.wsj.com/economics/2010/04/16/consumer-sentiment-turns-down-in-april) [4/16/10]
- 2 [thetreet.com/story/10725502/1/cpi-rose-01-in-march.html](http://thetreet.com/story/10725502/1/cpi-rose-01-in-march.html) [4/14/10]
- 3 [theatlantic.com/business/archive/2010/04/us-retail-sales-up-16-in-march/38917/](http://theatlantic.com/business/archive/2010/04/us-retail-sales-up-16-in-march/38917/) [4/14/10]
- 4 [foxbusiness.com/story/markets/updateus-march-industrial-production--consensus/](http://foxbusiness.com/story/markets/updateus-march-industrial-production--consensus/) [4/15/10]
- 5 [marketwatch.com/story/march-housing-starts-on-upward-trend-2010-04-16](http://marketwatch.com/story/march-housing-starts-on-upward-trend-2010-04-16) [4/16/10]
- 6 [cnbc.com/id/36600359](http://cnbc.com/id/36600359) [4/16/10]
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