

Charles "Chuck" W. Martino CLU, ChFC Presents Weekly Economic Update for the Week of April 5, 2010

Quote of the week. "It is easier to do a job right than to explain why you didn't." – Martin Van Buren

Job growth at last. Employers added 162,000 jobs in March, the biggest gain in three years. While some of the increase reflected temporary hires for the U.S. Census, private payrolls swelled by 123,000 last month. The jobless rate was 9.7% in March, exactly where it had been in January and February.¹

Consumer spending up by 0.3%. February's gain was in line with the forecast of economists. Wages were flat last month after a 0.1% increase in January.²

Is consumer confidence flat, or rising? Two polls tell two stories. The Conference Board's March Consumer Confidence Index hit 52.5, up from 46.4 in February. In contrast, the March Reuters survey remained at 73.6, unchanged from February.^{3,4}

Factory orders up 0.6%. The February number represented the tenth gain in the last 11 months. Excluding the defense category, the gain was 1.0%.⁵

Home prices inch higher. The January S&P/Case-Shiller home price index (of 20 major real estate markets) showed prices up 0.3% for January and down just 0.7% from 12 months earlier, the smallest year-over-year drop in nearly three years.³

Stocks have been red hot. At the close on April 1, the Dow, S&P 500 and NASDAQ had respectively gained 5.83%, 6.66% and 7.34% in a 5-week period. Thursday, the DJIA finished at 10,927.07, its highest

close since September 28, 2008. Wall Street trading paused for a day in observance of Good Friday.⁶

% Change	Y-T-D	1-Yr Chg	5-Yr Avg	10-Yr Avg
DJIA	+4.79	+36.96	+1.00	-0.26
NASDAQ	+5.88	+49.91	+4.21	-4.31
S&P 500	+5.65	+41.19	+0.09	-2.18
Real Yield	4/2	1 Yr Ago	5 Yrs Ago	10 Yrs Ago
10YrTIPS	1.69%	1.44%	1.77%	4.34%

(Source: CNBC.com, BigCharts.com, ustreas.gov, bls.gov, 4/2/10)^{7,8,9,10}
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 rooster sits atop a farmhouse. Its roof is unequally pitched. One half slopes down at an angle of 60°, and the other half at 70°. If the rooster lays an egg right on the peak of the roof, on which side is the egg more likely to fall?
Contact my office or see next week's Update for the answer.

Last week's riddle: Two-and-a-half artists spend two-and-a-half hours painting two-and-a-half models on two-and-a-half canvases. How many artists would be necessary to paint 24 models on 24 canvases in 20 hours?

Last week's riddle answer: This would only require three artists. 24 artists can paint 24 models in 2.5 hours. Since the time available has increased by eight (20 = 8 x 2.5), then you can reduce the number of artists by the same amount (3 = 24 / 8).

***Please feel free to forward this article to family, friends or colleagues.
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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