



Charles "Chuck" W. Martino CLU, ChFC Presents

# THE WEEKLY ECONOMIC UPDATE

July 12, 2010

## QUOTE OF THE WEEK:

"Each morning when I open my eyes I say to myself: I, not events, have the power to make me happy or unhappy today. I can choose which it shall be. Yesterday is dead, tomorrow hasn't arrived yet. I have just one day, today, and I'm going to be happy in it." – Groucho Marx

## Service sector grows; pace of expansion moderates

Last week, the Institute for Supply Management reported its June non-manufacturing index at 53.8. The index had come in at 55.4 in March, April and May. So we are still seeing growth in the service sector, just at a slightly slower rate. Economists polled by MarketWatch were expecting a 54.5 reading. The 53.8 is the lowest mark since February, but the index has been above 50 (indicating growth) all year.<sup>1</sup>

## Continuing unemployment claims reach a 9-month low

Thursday, the Labor Department announced that 4.41 million people were receiving jobless benefits after an initial week of aid during the week of June 26. That is the lowest such figure since November.<sup>2</sup>

## Sales up 3.1% over last year at major retailers

That's what a Thomson Reuters survey of 28 big mall chains just found – June retail purchases at these shops were 3.1% better than in June 2009. The most notable year-over-year gain among the 28 store brands? Nordstrom's, where sales were up 14.1% in June from 12 months ago.<sup>3</sup>

## Wholesale inventories build in May

They increased 0.5% in that month as wholesale sales fell 0.3%. In year-over-year figures, the Commerce Department said stockpiles were down 2.1% from May 2009, while wholesale sales had increased 15.1%.<sup>4</sup>

## Bulls stampede as confidence returns

The first glimmer of a new earnings season and good news about jobless claims motivated buying on Wall Street. Last week, the DJIA gained 5.28%, settling at 10,197.72 Friday; the NASDAQ and S&P 500 respectively gained 5.00% and 5.41% in the best week in nearly a year for stocks.<sup>5</sup>

*Note: last week's article mentioned that the federal homebuyer tax credit had been extended through September 30. Please note, however, that only the credit has been extended - not the deadline for contracts. The deadline to buy (or enter into a binding contract to buy) a principal residence was April 30.<sup>6</sup>*

% Change	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	-2.21	+24.62	-0.48	-0.42
NASDAQ	-3.20	+25.33	+0.79	-4.48
S&P 500	-3.33	+22.13	-2.21	-2.70
Real Yield	7/9	1 YR AGO	5 YRS AGO	10 YRS AGO
10YrTIPS	1.26%	1.87%	1.83%	4.03%

## RIDDLE OF THE WEEK

Name the number that is 5 greater than the number which is one-fifth of one-fifth of one-half of 1050.

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(Source: [cnbc.com](http://cnbc.com), [bigcharts.com](http://bigcharts.com),  
[ustreas.gov](http://ustreas.gov), [bls.gov](http://bls.gov), 7/9/10)<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.

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

**Last week's riddle:** It can certainly be measured, yet it has no length, width or height. What is it?

**Last week's riddle answer:** The temperature.

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## Citations.

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- 2 – [cnbc.com/id/38144446/](http://cnbc.com/id/38144446/) [7/8/10]
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