

Charles "Chuck" Martino CLU, ChFC Presents Weekly Economic Update for the Week of May 10, 2010

Quote of the week. "You're born an original. Don't die a copy." – John Mason

More jobs, more jobseekers. While U.S. firms added 290,000 jobs in April - the most in 49 months – the unemployment rate climbed to 9.9% last month. That reflected more Americans looking for work. Revised Labor Department figures show the economy adding an average of 143,000 jobs per month so far in 2010.¹

Consumer spending leaps 0.6%. Great news: March saw the biggest gain in that category in five months. The Bureau of Economic Analysis also reported a 0.3% gain in wages.²

ISM indices show strength. The Institute for Supply Management's manufacturing index rose to 60.4 in April from 59.6 in March, and its service sector index stayed at 55.4 in April. Both numbers signal growing sectors. Additionally, factory orders increased by 1.3% last month (this category has shown a gain in 11 out of the last 12 months).^{3,4}

Pending home sales up again. That makes it two months in a row of gains in this category: the National Association of Realtors said the number of sales contracts increased by 5.3% in March, more than the 5.0% gain that analysts had envisioned.⁴

Stocks battle volatility, technology. Trading snafus and worries about debt in Europe aggravated the market last week. The Dow was down 5.71% for

the week, the NASDAQ 7.95% and the S&P 500 6.39%. On the NYMEX, oil prices fell \$11.04 last week to \$75.11 per barrel. Gold gained \$29.90 last week to settle at exactly \$1,210.00 an ounce Friday.^{5,6}

% Change	Y-T-D	1-Yr Chg	5-Yr Avg	10-Yr Avg
DJIA	-0.46	+23.42	+0.03	-0.21
NASDAQ	-0.15	+32.01	+3.03	-3.83
S&P 500	-0.38	+22.43	-1.03	-2.20
Real Yield	5/7	1 Yr Ago	5 Yrs Ago	10 Yrs Ago
10YrTIPS	1.30%	1.74%	1.69%	4.34%

(Source: CNBC.com, BigCharts.com, ustreas.gov, bls.gov, 5/7/10)^{6,7,8,9}
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. At a class reunion, everyone shakes hands exactly once with every person present. That results in a total of 28 handshakes. In total, how many people are at the reunion?

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

Last week's riddle: I have keys that will open no locks. I have a space and a lock that's a key. You can enter but you can't leave, and yet - you can escape. What am I?

Last week's riddle answer: A computer keyboard. The lock that's a key is the Caps Lock, Num Lock or Scroll Lock.

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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.***

Charles W. Martino, Jr. is a Representative with Woodbury Financial Services and may be reached at www.chuckmartinoandassociates.com, 843-449-7815 or cmartino@chuckmartinoandassociates.com.

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Citations.

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