

## Today's Market News

- Quiet day in the markets today
- Economics
  - Just Chicago and Dallas manufacturing reports...nothing that will move markets, just gives the market a sense on where the national trend may head
  - Later this week:
    - National manufacturing with the ISM number on Wednesday along with home sales and vehicle sales
    - Due to the July 4<sup>th</sup> holiday, nonfarm payrolls and unemployment will be announced Thursday...all our anxious to see where the payroll number heads based on last month's surprising figure and the previous month's revision
- Interesting promotion for Sears to try to increase sales
  - They are now allowing customers who have lost their jobs to suspend payments and keep appliances purchased with the store's credit card
  - Between July 6<sup>th</sup> and August 1<sup>st</sup>, any customer who spends \$399 or more will have 1/12 of the purchase price credited to their account for every month they are out of work...those that are jobless for more than a year will have the full debt forgiven
    - Their hope is to attract folks who have been looking to buy but have been reluctant
    - Remember Hyundai, Ford and GM had similar programs to help sell cars...Sears' plan may work better...a washing machine may be an easier purchase to make than a car...
- Speaking of appliances, the CEO of GE, one of the world's largest appliance makers, made some comments this weekend
  - GE CEO Jeffery Immelt believes the period of crisis management prompted by the global recession is "behind us" and some level of economic growth will take place next year
    - He also believes we now have almost a fully functioning capital market (I would stress the "almost" part)
    - He also believes financial services will not be the same in his lifetime
      - He said, "You're going to see more regulation. The government has moved in next door and they're not leaving." ...Great...
- Bernie Madoff goes to court today at 10am to see if he will spend the rest of his life in jail
  - Attorney for Madoff is asking for 12 years (the life expectancy of his client)
  - Madoff's victims, most of which will be filling the courtroom, want the sentence to reflect the scope and severity of the crimes and are looking for 150-years...just to make a point
  - Madoff's wife and sons haven't been charged and have denied they knew about the scam...I still find this interesting...and very hard to believe
- Good story on Bloomberg that basically sums up the struggling housing recovery...credit is too tight and not allowing many buyers, even well capitalized investors, to buy the growing number of foreclosed properties, so many still sit vacant
  - All the stimulus and government programs are not helping
- Dow futures up slightly this morning (+20 pts)
  - Dow down 3.85% YTD while S&P now back positive (+1.73%)
- Oil unchanged, still bouncing around \$70/barrel

- Treasuries
  - 2-yr: 1.10%
  - 10-yr: 3.48%
  - 30-yr: 4.30%
- LIBOR
  - 1-month: 0.31%
  - 3-month: 0.60%
- Fed funds
  - Effective was 0.18% on Friday and is trading around 0.17% now