

Market Week: February 13, 2012

The Markets

Concerns about whether Greece would fulfill the conditions necessary to obtain a second bailout brought on the first down week of 2012 for the domestic equities indices (except for the Dow, which had a down week in late January). Meanwhile, 10-year Treasury yields remained relatively stable as investors continued to seek out bonds.

Market/Index	2011 Close	Prior Week	As of 2/10	Week Change	YTD Change*
DJIA	12217.56	12862.23	12801.23	-.47%	4.78%
Nasdaq	2605.15	2905.66	2903.88	-.00%	11.47%
S&P 500	1257.60	1344.90	1342.64	-.17%	6.76%
Russell 2000	740.92	831.11	813.33	-2.14%	9.77%
Global Dow	1801.60	1976.98	1964.70	-.63%	9.05%
Fed. Funds	.25%	.25%	.25%	0 bps	0 bps
10-year Treasuries	1.89%	1.97%	1.96%	-1 bps	7 bps

*Equities data reflect price changes, not total return.

Last Week's Headlines

- Greece's coalition government reached an agreement on austerity measures needed to receive the second bailout from its peers, and at the insistence of the eurozone's finance ministers, the agreement was approved by the full Greek parliament. To protest the measures, Greece's unions called a 48-hour strike over the weekend and demonstrators took to the streets.
- Five major banks will pay \$26 billion to settle a suit by 49 state attorneys general and federal officials over faulty foreclosure procedures, and nine other financial institutions are also in negotiations over the same issue. According to the agreement, \$17 billion will be used over the next three years to assist homeowners, and 60% of that amount will help reduce principal on qualifying mortgages.
- According to the Commerce Department, higher imports of autos, auto parts, and industrial machinery helped push the U.S. trade deficit to \$48.8 billion, the highest level since June. Imports rose 1.3% while exports were up 0.7%.

Eye on the Week Ahead

European economic growth data and Wednesday's meeting of eurozone finance ministers, when final approval of the newest Greek bailout is expected in the wake of last weekend's parliamentary vote, will be a focus of attention. Domestic data on inflation, manufacturing, and housing also will be watched.

Key dates and data releases: retail sales, business inventories (2/14); Empire State manufacturing survey, industrial production, Federal Open Market Committee minutes, international capital flows (2/15); housing starts, wholesale inflation, Philadelphia Fed survey (2/16); consumer inflation, index of leading economic indicators, options expiration (2/17).

Data sources: Includes data provided by Brounes & Associates. All information is based on sources deemed reliable, but no warranty or guarantee is made as to its accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a

solicitation for the purchase or sale of any securities, and should not be relied on as financial advice. Past performance is no guarantee of future results.

The Dow Jones Industrial Average (DJIA) is a price-weighted index composed of 30 widely traded blue-chip U.S. common stocks. The S&P 500 is a market-cap weighted index composed of the common stocks of 500 leading companies in leading industries of the U.S. economy. The NASDAQ Composite Index is a market-value weighted index of all common stocks listed on the NASDAQ stock exchange. The Russell 2000 is a market-cap weighted index composed of 2000 U.S. small-cap common stocks. The Global Dow is an equally weighted index of 150 widely traded blue-chip common stocks worldwide. Market indexes listed are unmanaged and are not available for direct investment.

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