

# Snapshot of the Week<sup>SM</sup>

January 30 – February 3, 2012

## U.S. Market Headlines

- Markets jump on jobs report; DJIA and Nasdaq set highs
- Facebook picks Morgan Stanley to lead IPO
- Corporate federal taxes paid fell to 12.1%, lowest since '72

## U.S. Economic Headlines

- Unemployment drops to 8.3%, lowest since February 2009
- U.S. will run a reduced \$1.1 trillion deficit for 2012
- 30-second Super Bowl ad going for record \$3.5 million
- ISM: Manufacturing grew in Jan. at fastest pace in 7 months
- Case-Shiller: Home prices in 20 cities down 3.7% on year

## World Market Headlines

- French firm Dassault wins \$10B fighter jet deal with India
- Electronics maker Sharp forecasts \$3.8B annual net loss

## World Economic Headlines

- Euro unemployment hit record 10.4% at the end of 2011
- Spain's economy contracts by 0.3% in Q4 2011
- Russian economy expands 4.3% in 2011, beats estimates

U.S. Stock Index Levels	Friday 2/3/12	Month Ago 1/6/12	Year Ago 2/4/11
DJIA.....	12,862.23	12,359.92	12,092.15
Nasdaq Composite.....	2,905.66	2,674.22	2,769.30
S&P 500.....	1,344.90	1,277.81	1,310.87
S&P MidCap 400.....	971.25	891.16	944.95
Russell 2000.....	831.11	749.71	800.11

## World Stock Index Levels

DJ Global.....	249.28	230.66	261.74
DJ Global ex. U.S.....	203.84	185.62	226.48
DJ Asia-Pacific.....	128.87	118.39	144.07
Stoxx Europe 50.....	2,500.47	2,400.15	2,716.38
DJ Americas.....	356.32	334.69	352.69

## Commodity Cash Prices

Crude Oil, West Texas Int. ....	\$97.84	\$101.56	\$101.63
Natural Gas, Henry Hub.....	\$2.41	\$2.86	\$4.50
Gold, Engelhard Industrial..	\$1,737.60	\$1,619.90	\$1,357.95
Copper, High-Grade.....	\$3.89	\$3.43	\$4.57
Corn, No. 2 Yellow.....	\$6.43	\$6.33	\$6.54

Dollar Exchange Rates	Friday 2/3/12	Month Ago 1/6/12	Year Ago 2/4/11
Euro Zone Euro.....	0.75	0.78	0.73
U.K. Pound Sterling.....	0.63	0.64	0.62
Japan Yen.....	76.60	76.97	82.20
China Yuan.....	6.30	6.30	6.55
Mexico Peso.....	12.65	13.73	11.97
Canada Dollar.....	0.99	1.02	0.98

## Key Interest Rates

Federal Funds.....	0.11%*	0.05%	0.17%
6-Month CD.....	0.52%*	0.64%	0.39%
3-Month T-Bill.....	0.08%*	0.02%	0.15%
6-Month T-Bill.....	0.10%*	0.06%	0.18%
1-Year T-Note.....	0.14%*	0.12%	0.28%
5-Year T-Note.....	0.71%*	0.88%	2.10%
10-Year T-Note.....	1.86%*	1.99%	3.54%
Corporate Moody's Aaa.....	3.79%*	3.87%	5.19%
Corporate Moody's Baa.....	5.11%*	5.28%	6.17%
Conventional Mortgage.....	3.87%	3.91%	4.81%

\*As of 2/2/12

## Interesting Insight

**Three Cheers for the Bus Driver.** A family-run bus operator in Australia sold his company after 66 years. Ken Grenda, 79, then decided to put \$15.9 million from the sale into bonuses for all his employees for their hard work and loyalty. The average bonus was \$8,500, while some got \$100,000. "Ken looked after his employees, he treated them like family," said worker Iain Beberidge. The company was bought by another transport company and all staff will keep their jobs. [www.rawstory.com](http://www.rawstory.com)

## A Closer Look

**Hidden Burden of Ultra-Low Rates.** Ultra-low rates have been used to revive economic growth, but they continue to squeeze profits at banks and disrupting investment strategies at insurance companies and pension funds. "For most people, there's been more downside to these low rates than upside," says Barry Ritholtz, CEO of research firm Fusion IQ. "They've punished savers and people living on fixed income, and made insurance more expensive." [www.businessweek.com](http://www.businessweek.com)

## Looking Ahead

- February 9: European Central Bank announcement
- February 10: International trade

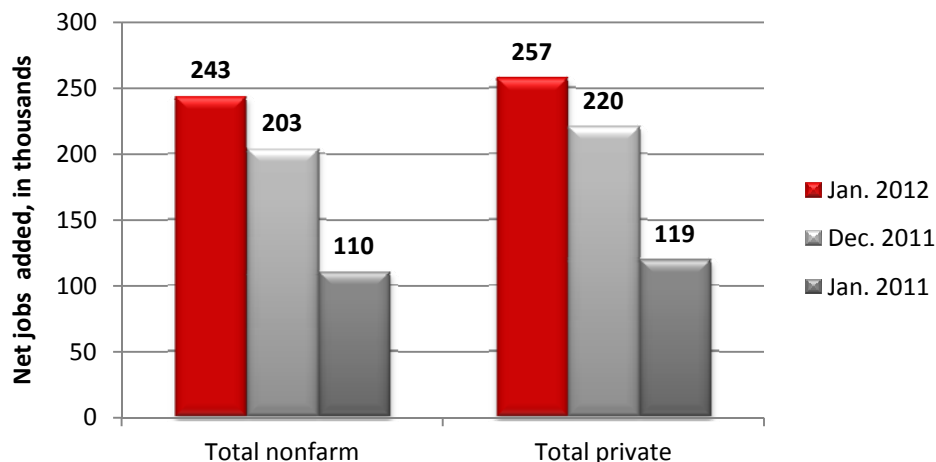
## Another Perspective

**Turning Point?** The financial markets don't usually like unexpected data, but Friday's employment situation was so good that writers found reason to break out the big superlatives.

243,000 new jobs were created in January, well above expectations of 140,000. Manufacturing grew jobs by 50,000 against expectations of 13,000 growth. Unemployment fell from 8.5% to 8.3%. Past employment reports were revised upwards.

[www.businessinsider.com](http://www.businessinsider.com)

## Establishment Data from bls.gov



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The Dow Jones Industrial Average is a price-weighted average of 30 actively traded blue chip stocks, primarily industrials.

The Nasdaq Composite Index is market-value weighted index of all common stocks listed on the Nasdaq exchange.

The Standard & Poor's (S&P) 500 Index consists of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. stocks and is meant to reflect the risk and return characteristics of the large-cap universe.

The Standard & Poor's (S&P) MidCap 400 Index tracks a diverse basket of medium-sized U.S. firms.

The Russell 2000 Index is a market-value weighted index. It measures the performance of the smallest 2,000 companies in the Russell 3000 Index, which is comprised of the 3,000 largest U.S. companies in terms of market capitalization.

The Dow Jones (DJ) Global Index represents approximately 95% of the float-adjusted market capitalization of countries open to foreign investment.

The Dow Jones (DJ) Global ex. U.S. Index represents approximately 95% of the float-adjusted market capitalization of countries—excluding the United States—open to foreign investment.

The Dow Jones (DJ) Asia-Pacific Index provides broad coverage of markets in the Asia/Pacific region open to foreign investment. The index covers approximately 95% of the market capitalization of the represented countries.

The Stoxx Europe 50 Index represents the 50 largest stocks among the 600 largest stocks traded on the major exchanges of 18 European countries. The index is weighted by free-float market capitalization.

The Dow Jones (DJ) Americas Index provides broad coverage of markets in the Americas region open to foreign investment. The index represents Brazil, Canada, Chile, Mexico, and the United States. The index covers approximately 95% of the market capitalization of the represented countries.

Commodity Cash Prices reflect buying and selling of a variety of actual or "physical" commodities in the marketplace—separate from the futures price on an exchange, which reflects what the commodity might be worth in future months. The price of oil is per barrel. The price of natural gas is per MMBtu. The price of gold is per troy ounce. The price of copper is the Comex spot price per pound. The price of corn is per bushel of USDA-quality crop and is based on country elevator bids to producers.

U.S. Dollar Exchange Rates against various currencies are based on foreign-exchange quotations. Rates are middle rates of interbank bid and asked quotes.

Key Interest Rates are yields in percent per annum. The daily effective federal funds rate is a weighted average of rates on brokered trades and is annualized using a 360-day year or bank interest. The 6-month CD rate is annualized using a 360-day year or bank interest and is an average of dealer bid rates on nationally traded certificates of deposit. Treasury bill and note rates are yields on actively traded, non-inflation-indexed issues adjusted to constant maturities. Corporate Moody's Aaa and Baa rates are average rates of bonds, and the Aaa rate is only for industrial bonds. The Conventional Mortgage rate is based on contract interest rates on commitments for fixed-rate first mortgages.

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