

The Emmaus Research Center Presents Weekly Economic Update for the Week of March 1, 2010

Quote of the week. “He who has a why to live can bear almost any how.” – Friedrich Nietzsche

Stocks log best month since November. The S&P 500 rose 2.85% last month even with worries over Greece, China and the U.S. housing and job markets. The S&P had its best February in 12 years.^{1,2}

4Q GDP revised to 5.9%. That tops the initial 5.7% estimate from the Commerce Department. It means 4Q 2009 was the strongest quarter since 3Q 2003.³

Home sales in deep freeze. The January numbers were very poor: -7.2% for residential resales, -11.2% for new homes. However, existing home sales were 11.5% above where they had been a year before.⁴

Case-Shiller index: home prices rising. The widely watched 20-city home price index posted its seventh straight monthly gain in December. Prices increased in 15 of the index's 20 metro areas.⁵

Durable goods orders up 3.0%. The January figure from the Commerce Department was hugely positive. Yet with transportation orders factored out, durable goods orders were down 0.6%.⁵

Less confidence last month? The February Conference Board index of consumer confidence fell to 46.0 from 55.9 in January. The index's assessment of current conditions was the lowest since 1983.⁶

Soft week but strong month. The major U.S. indexes lost from 0.25% (NASDAQ) to 0.74% (Dow)

last week. Monthly gains were quite strong: DJIA, +2.56%; NASDAQ, +4.23%; S&P 500, +2.85%.¹

% Change	Y-T-D	1-Yr Chg	5-Yr Avg	10-Yr Avg
DJIA	-0.99	+43.76	-0.95	+0.47
NASDAQ	-1.36	+60.86	+1.67	-5.12
S&P 500	-0.95	+46.71	-1.76	-1.72
Real Yield	2/26	1 Yr Ago	5 Yrs Ago	10 Yrs Ago
10YrTIPS	1.48%	2.02%	1.64%	4.34%

(Source: CNBC.com, CNNMoney.com, ustreas.gov, bls.gov, 2/26/10)^{1,7,8,9}
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. Al gives Jane three boxes, one labeled DIAMONDS, one labeled PEARLS and one labeled DIAMONDS OR PEARLS. He tells her that all three boxes are labeled incorrectly and that one box contains diamonds, one pearls and the other emeralds. Al then tells Jane that if she can guess the contents of any box without opening it, she can keep the contents. How many boxes must Jane open to do this, and/or how many boxes can she keep?
Contact my office or see next week's Update for the answer.

Last week's riddle: In 15 minutes, a dress will dry on a clothes wire. How long would it take you to dry five dresses?

Last week's riddle answer: 15 minutes.

***Please feel free to forward this article to family, friends or colleagues.
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.***

«RepresentativeDisclosure»

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Citations.

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