

WEEKLY EconUpdate

JULY 26, 2010

Provided By:

Advanced Wealth Strategies Group
310 West Main Ave
Round Rock, TX 78664
www.advancedgroup.biz

512-218-7993



Securities offered through First Allied Securities, Inc., A Registered Broker Dealer, Member FINRA/SIPC. An Advanced Equities Company.

All third party materials are the responsibility of their respective authors, creators, and/or owners. First Allied Securities, Inc. is not responsible for third party materials, and the information reflects the opinion of its authors, creators, and/or owners at the time of its issuance, which opinions and information are subject to change at any time without notice and without obligation of notification.

These materials were obtained from sources believed to be reliable and presented in good faith, nevertheless, First Allied Securities, Inc. has not independently verified the information contained therein, and does not guarantee its accuracy or completeness.

The information has no regard to the specific investment objectives, financial situation, or particular needs of any specific recipient, and is intended for informational purposes only and does not constitute a recommendation, or an offer, to buy or sell any securities or related financial instruments, nor is it intended to provide tax, legal or investment advice. We recommend that you procure financial and/or tax advice as to the implications (including tax) of investing in any of the companies mentioned.

At any time First Allied Securities, Inc. and its affiliates (or employees thereof) may have a long or short position, or deal as principal or agent, in relevant securities or provide investment banking services (such as acting as placement agent and/or underwriter), advisory services or other services to the issuer of relevant securities or to a company connected with an issuer, and thus we face an inevitable conflict of interest.

THE WEEKLY ECONOMIC UPDATE

July 26, 2010

QUOTE OF THE WEEK:

"The world demands the qualities of youth: not a time of life but a state of mind, a temper of will, a quality of the imagination, a predominance of courage over timidity of the appetite for adventure over the love of ease." – Robert F. Kennedy

Existing home sales fall ... and mortgage rates fall further

The June existing home sales figures from the National Association of Realtors show a 5.1% drop from May, an effect from the closing of the deadline for federal homebuying credits. On the positive side, NAR reports that sales are up 9.8% from a year ago. Interest rates on conventional home loans hit a record low of 4.56% in Freddie Mac's July 21 survey; average rates on 15-year FRMs also fell to a two-decade low of 4.03%.^{1,2}

Long-term jobless benefits extended

President Obama extended emergency unemployment benefits for about three million Americans Thursday, not long after the measure made it past strong opposition in the Senate. The program had ended in June; Obama's signature extends it for six more months.³

FDIC insurance permanently bumped up to \$250,000

This is a byproduct of the financial reform bill. The current \$250,000 FDIC insurance limit for banks and credit unions was set to expire in 2013. Incidentally, the \$250,000 ceiling has been made retroactive with regard to the six U.S. banks that failed from January 1, 2008 - October 3, 2008, such as IndyMac.⁴

Conference Board's leading indicators retreat 0.2%

They lost a little steam in June, but they beat expectations: economists surveyed by Thomson Reuters had expected the CB index to fall 0.3%. May's increase was revised upward to 0.5%.⁵

Dow gains 300+ points in a week

The DJIA settled at 10,424.62 Friday, gaining 0.99% last week. The S&P 500 and NASDAQ respectively rose to 1,102.66 and 2,269.47. Strong earnings reports helped the Dow advance by triple digits on Thursday, and when 84 of 91 European banks passed an EU stress test, the DJIA climbed 102.32 on Friday. On the NYMEX, oil futures slipped a little more than 3% last week to close at \$78.98 Friday.⁶

% Change	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	-0.03	+14.94	-0.43	-0.24
NASDAQ	+0.01	+14.99	+0.82	-4.30
S&P 500	-1.12	+12.94	-2.12	-2.47
Real Yield	7/23	1 YR AGO	5 YRS AGO	10 YRS AGO
10YrTIPS	1.24%	1.80%	1.89%	4.03%

(Source: cnbc.com, bigcharts.com, ustreas.gov, bls.gov, 7/23/10)^{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

This vehicle has wheels and often flies, but it is certainly not an aircraft. What is it?

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

Last week's riddle: Observe the following sequence of numbers: 11, then 1,331, then 161,051, then 19,487,171. Given this sequence, what would the next number be?

Last week's riddle answer: 2,357,947,691. The numbers are 11 to the first power, 11 to the third power, 11 to the fifth power and 11 to the seventh power. Therefore, the missing number is 11 to the ninth power.

Please feel free to forward this article to your family, friends or colleagues. If you would like us to add them to our distribution list, please reply with their address. We will contact them first and request their permission to add them to our list.

This material was prepared by Peter Montoya Inc., and does not necessarily represent the views of the presenting Representative or the Representative's Broker/Dealer. This information should not be construed as investment advice. The Dow Jones Industrial Average is a price-weighted index of 30 actively traded blue-chip stocks. The NASDAQ Composite Index is an unmanaged, market-weighted index of all over-the-counter common stocks traded on the National Association of Securities Dealers Automated Quotation System. The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. It is not possible to invest directly in an index. NYSE Group, Inc. (NYSE:NYX) operates two securities exchanges: the New York Stock Exchange (the "NYSE") and NYSE Arca (formerly known as the Archipelago Exchange, or ArcaEx®, and the Pacific Exchange). NYSE Group is a leading provider of securities listing, trading and market data products and services. The New York Mercantile Exchange, Inc. (NYMEX) is the world's largest physical commodity futures exchange and the preeminent trading forum for energy and precious metals, with trading conducted through two divisions – the NYMEX Division, home to the energy, platinum, and palladium markets, and the COMEX Division, on which all other metals trade. All information is believed to be from reliable sources; however we make no representation as to its completeness or accuracy. All economic and performance data is historical and not indicative of future results. Market indices discussed are unmanaged. Investors cannot invest in unmanaged indices. The publisher is not engaged in rendering legal, accounting or other professional services. If other expert assistance is needed, the reader is advised to engage the services of a competent professional. Please consult your Financial Advisor for further information. Additional risks are associated with international investing, such as currency fluctuations, political and economic instability and differences in accounting standards.

Citations.

- 1 - realtor.org/press_room/news_releases/2010/07/ehs_june_above [7/22/10]
- 2 - mercurynews.com/breaking-news/cj_15576555 [7/22/10]
- 3 - washingtonpost.com/wp-dyn/content/article/2010/07/22/AR2010072203825.html [7/22/10]
- 4 - usatoday.com/money/industries/banking/2010-07-22-regs22_ST_N.htm [7/22/10]
- 5 - usatoday.com/money/economy/2010-07-22-jobless-claims_N.htm [7/22/10]
- 6 - cnbc.com/id/38382997 [7/23/10]
- 7 - bigcharts.marketwatch.com/historical/default.asp?detect=1&symbol=DJIA&close_date=7%2F23%2F09&x=0&y=0 [7/23/10]
- 7 - bigcharts.marketwatch.com/historical/default.asp?detect=1&symbol=COMP&close_date=7%2F23%2F09&x=0&y=0 [7/23/10]
- 7 - bigcharts.marketwatch.com/historical/default.asp?detect=1&symbol=SPX&close_date=7%2F23%2F09&x=0&y=0 [7/23/10]
- 7 - bigcharts.marketwatch.com/historical/default.asp?detect=1&symbol=DJIA&close_date=7%2F22%2F05&x=0&y=0 [7/23/10]
- 7 - bigcharts.marketwatch.com/historical/default.asp?detect=1&symbol=COMP&close_date=7%2F22%2F05&x=0&y=0 [7/23/10]
- 7 - bigcharts.marketwatch.com/historical/default.asp?detect=1&symbol=SPX&close_date=7%2F22%2F05&x=0&y=0 [7/23/10]
- 7 - bigcharts.marketwatch.com/historical/default.asp?detect=1&symbol=DJIA&close_date=7%2F24%2F00&x=0&y=0 [7/23/10]
- 7 - bigcharts.marketwatch.com/historical/default.asp?detect=1&symbol=COMP&close_date=7%2F24%2F00&x=0&y=0 [7/23/10]
- 7 - bigcharts.marketwatch.com/historical/default.asp?detect=1&symbol=SPX&close_date=7%2F24%2F00&x=0&y=0 [7/23/10]
- 8 - ustreas.gov/offices/domestic-finance/debt-management/interest-rate/real_yield.shtml [7/23/10]
- 8 - ustreas.gov/offices/domestic-finance/debt-management/interest-rate/real_yield_historical.shtml [7/23/10]
- 9 - treasurydirect.gov/instit/annceresult/press/preanre/2000/ofm11200.pdf [7/12/00]