

# WEEKLY EconUpdate

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# Weekly Economic Update for the Week of March 8, 2010

**Quote of the week.** “A person will be just about as happy as they make up their minds to be.” – Abraham Lincoln

**9.7% and holding.** The Labor Department reported only 36,000 net job losses last month, so the jobless rate was flat for February. Economists had widely assumed the unemployment rate would inch upward due to winter weather affecting construction and retail industries.<sup>1</sup>

**Major boost in factory orders.** They rose 1.7% in January, according to Commerce Department data. This is the best number in four months and follows a 1.5% advance for December.<sup>2</sup>

**Pending home sales sink.** What does the 7.6% fall for January indicate? It would seem to signal that the extended tax credits have become less magnetic to buyers. Let's hope sales hold up this spring as the Fed ceases its purchases of mortgage-linked securities.<sup>3</sup>

**Gold, copper, oil go higher.** Copper prices rose 4.10% last week to \$0.134/lb. Gold gained \$16.50 last week (1.48%) to settle at \$1,134.80 an ounce Friday. Crude futures rose \$1.84 last week (2.31%) to \$81.50 per barrel on the NYMEX at Friday's close.<sup>4</sup>

**March of the bulls?** Wall Street was buoyed by the unchanged jobless rate on Friday, and the Dow climbed 122.06 to cap off its 2.33% weekly gain. The S&P 500 did even better: a 3.10% rise on the week to 1,138.70 at the closing bell on Friday. The NASDAQ? It advanced 3.94% on the week to 2,326.56.<sup>5</sup>

% Change	Y-T-D	1-Yr Chg	5-Yr Avg	10-Yr Avg
DJIA	+1.32	+60.23	-0.68	+0.19
NASDAQ	+2.52	+79.01	+2.47	-5.26
S&P 500	+2.12	+66.83	-1.37	-1.82
Real Yield	3/5	1 Yr Ago	5 Yrs Ago	10 Yrs Ago
10YrTIPS	1.48%	1.98%	1.65%	4.34%

(Source: CNBC.com, CNNMoney.com, ustreas.gov, bls.gov, 3/5/10)<sup>5,6,7,8</sup>  
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.** What should the last entry be in the following sequence of numbers ... 9|18, 8|46, 7|94, 6|63, 5|52, 4|\_\_\_?  
*Contact my office or see next week's Update for the answer.*

**Last week's riddle:** 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?

**Last week's riddle answer:** Jane keeps everything and does not need to open any box. Since each box is labeled incorrectly, the box labeled "Diamonds or Pearls" must contain emeralds. Therefore the box labeled "Pearls" must contain diamonds, and the box labeled "Diamonds" must contain pearls.

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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.***

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currency fluctuations, political and economic instability and differences in accounting standards.

## Citations.

- 1 [washingtonpost.com/wp-dyn/content/article/2010/03/05/AR2010030500571.html](http://washingtonpost.com/wp-dyn/content/article/2010/03/05/AR2010030500571.html) [3/5/10]
- 2 [latimesblogs.latimes.com/money\\_co/2010/03/new-factory-orders-up-17-in-january-largest-increase-since-september.html](http://latimesblogs.latimes.com/money_co/2010/03/new-factory-orders-up-17-in-january-largest-increase-since-september.html) [3/4/10]
- 3 [businessweek.com/news/2010-03-04/u-s-economy-pending-sales-of-existing-homes-unexpectedly-drop.html](http://businessweek.com/news/2010-03-04/u-s-economy-pending-sales-of-existing-homes-unexpectedly-drop.html) [3/4/10]
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- 5 [cnbc.com/id/35729112](http://cnbc.com/id/35729112) [3/5/10]
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- 8 [treasurydirect.gov/instit/annceresult/press/preanre/2000/ofm11200.pdf](http://treasurydirect.gov/instit/annceresult/press/preanre/2000/ofm11200.pdf) [1/12/00]