



Market Week: November 14, 2011

The Markets

Once again, European politics drove the movement of equities markets. Once leadership changes in Greece and Italy seemed imminent, equities recovered some momentum. The S&P 500 managed to turn positive for the year, while the Dow continued to be the year-to-date leader. Even the Global Dow saw some benefit from the political shifts, while the yield on 10-year Treasuries remained relatively stable.

Market/Index	2010 Close	Prior Week	As of 11/11	Week Change	YTD Change
DJIA	11577.51	11983.24	12153.68	1.42%	4.98%
Nasdaq	2652.87	2686.15	2678.75	-.28%	.98%
S&P 500	1257.64	1253.23	1263.85	.85%	.49%
Russell 2000	783.65	746.49	744.64	-.25%	-4.98%
Global Dow	2087.44	1860.04	1862.40	.13%	-10.78%
Fed. Funds	.25%	.25%	.25%	0 bps	0 bps
10-year Treasuries	3.30%	2.06%	2.04%	-2 bps	-126 bps

Last Week's Headlines

- Faced with pressure from Greece's eurozone colleagues, Prime Minister George Papandreou resigned. He was replaced by former European Central Bank Vice President Lucas Papademos, who will lead a provisional coalition government in trying to adopt legislation that would meet the conditions needed to receive ongoing financial assistance.
- After the yield on 10-year Italian bonds spiked briefly well above 7%, the Italian Parliament passed austerity measures designed to keep investors from shunning the debt of the region's third-largest economy. As part of the deal, Italian Prime Minister Silvio Berlusconi resigned and former European Union Commissioner Mario Monti was asked to take over and lead a coalition "technocrat" government in implementing the reforms.
- Mortgage foreclosures, which had been delayed last year by processing problems, are on the rise again. The number of foreclosures was up 7% for the month of October; according to RealtyTrac, that's a seven-month high. However, the foreclosure rate was still almost a third less than last year.
- Jefferson County, Alabama, home of the state's capital, filed for bankruptcy that was brought on in part by a corruption-plagued sewer project. The roughly \$5 billion at stake makes it the largest municipal bankruptcy in U.S. history, exceeding even the \$2 billion owed by Orange County, California, when it collapsed in 1994.
- A \$2.5 billion increase in exports helped cut the September U.S. trade deficit to \$43.1 billion, according to the Bureau of Economic Analysis.

Eye on the Week Ahead

As new governments in both Italy and Greece attempt to address budget issues, domestic data will focus on manufacturing, inflation, and retail sales. Investors also will be watching the direction of yields at various European bond auctions. And as the congressional supercommittee's November 23 deadline approaches, its progress (or lack thereof) could begin to draw attention.



Key dates and data releases: wholesale inflation, retail sales, business inventories, Empire State manufacturing survey (11/15); Philadelphia Fed manufacturing survey, housing starts (11/17); options expiration, leading economic indicators (11/18).

Data source: 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. Equities data reflect price change, not total return.

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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