



Thank God It's Friday!

April 18, 2008

Today GOOGLE knocked the cover off the ball, UP \$90 in one day! What a way to celebrate Jessie Reilly's birthday....and John Bedell's as well as my firstborn turns 33 today. April 18th is also noteworthy as the anniversary of San Francisco's GREAT EARTHQUAKE. To go with the flow, there was a whole lot of shaking going on today on Wall Street. Stocks gained over 4% this week while we enjoyed two 200+ point days on the Dow Jones.

It's all been driven by corporate earnings reports, not the least of which was Google's announcement that profits were up 32% on the quarter -- significantly beating Wall Street's expectations. Speculation had built-up that Google's business was significantly slowing with the US economy. That notion was laid to rest by Google's 42% revenue growth. The stock had its best single day ever – up 20%.

Google isn't the only strong performance so far. Eight of our key companies reported first quarter results and 6 beat consensus estimates.

The common theme among the companies coming-in with strong earnings is their exposure to international markets. These companies are reflecting the "tale of two economies" story – domestic business is weak and international operations are strong. For example, Johnson and Johnson's international operations grew at almost 14% while domestically sales grew only 3%. Google reported that international business made up over 50% revenues for the first time.

By Jude Bedell

| INDEX | 04.18.2008 | 12.31.2007 | %Change |
|------------|------------|------------|---------|
| DOW JONES | 12,849 | 13,265 | -3% |
| S&P 500 | 1,390 | 1,468 | -5% |
| NASDAQ | 2,403 | 2,652 | -9% |
| Bond YIELD | 3.74% | 4.03% | -7%* |

Bond Prices

Bond Yield %