



Thank God It's Friday!

July 25, 2008

GONE FISHIN' is the sign on our door today. Actually, we should have hung it on Monday and avoided myriad bouts of angina and frustration during the week as the stock market yinged, then yanged but ended up exactly where it began the week on Monday. However, in between the ups and downs were some pretty wild market drivers:

Congress moved forward on housing reform legislation
GE restructured itself into 4 companies, none of which will sell light bulbs or washing machines
Solid corporate earnings were reported by dozens of growth companies prompting practical people like us to supine that the bottom of the gloom & doom cycle is imminent.

Early morning positive earnings and upbeat economic data helped lead us to a positive close on Wall Street only to be beaten down the following day. This week's trading action felt emotional and irrational like there was no clear direction. Investors seemed to have little confidence trading both long or short.

So let's thank OIL. With crude oil down over \$16 for the week and trading well off its highs, stocks tried to rally off this temporary inflationary relief. However, disappointing housing numbers reared their ugly head once more and wiped out earlier gains.

Financial stocks tried hard to lead the market higher as they did last week but ran out of gas toward mid-week, if you'll excuse the pun. What was left for the fast money traders to do when financial stocks leapt

Table with 4 columns: INDEX, 07.25.2008, 12.31.2007, %Change. Rows include DOW JONES, S&P 500, NASDAQ, and Bond YIELD.

Bond Prices ↓ Bond Yield % ↑

ahead at the same time oil reversed its trend and headed south? They loaded up on Tech stocks pushing the NASDAQ up 1.22% this week. It was the only major stock index to finish positive for the week. Wild gyrations will undoubtedly continue into the near future as traders look to make a quick buck in this topsy-turvy market. Fundamentally sound companies with positive growth prospects will continue to be our theme moving forward.

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