

Thank God It's Friday!

April 3, 2009

This was the week of The Good, the Bad and the Ugly.



THE GOOD was the **GROUP OF 20** meeting this week in London. President Obama and his economic team listened to the world's 20 greatest economic countries' ideas and concerns. Their joint project was finding common ground to jumpstart global economic recovery. They agreed that bold government monetary interventions were appropriate. Stimulus



THE BAD is all about jobs data which today confirmed our maudlin expectation that March unemployment numbers hit 8.5%, up from 8.1% in February. Layoffs continue and some shops are closing their doors. More government intervention is needed to create jobs faster than they disappear. We are careful when using jobs statistics to predict economic recovery. There is a strong dichotomy between unemployment and unemployment claims. The actual unemployment rate itself is a lagging economic indicator. Unemployment claims, however, tend to turn before the unemployment rate. Therefore, we are watching for signs of a decline in claims which will be a positive sign for the economy going forward. Employment trends predict consumer behavior because the American economy relies on consumer spending to the tune of 70% of our nation's GDP. Therefore, without the consumer, our economy is stalled on the road to recovery. To jump-start spending, the government needs to invest in job creation which will trickle down.



THE UGLY is bank earnings which are going to be exceedingly ugly, and being announced in the coming days reflecting the first calendar quarter results. Calling these reports earnings reports is somewhat misleading considering most banks will be disclosing losses, not profits. However, not all bank news today was ugly. Bank of America announced it's about to **PAY BACK TO THE US GOVERNMENT** some \$713 Million in TARP Preferred Dividends (NB: TARP = Troubled Asset Relief Program). The Big Bank paid the government its first dividends in February and is continuing its ongoing commitment to pay back taxpayers as soon as possible.

This weekend, we hope you enjoy March Madness Basketball as Baseball Spring Training games return. Next Friday, April 10th we'll close our office to observe Good Friday, a traditional Market holiday. Your Spring Newsletters are in the mail or e-mails and will be posted to our website: www.bedellinvest.com. To access research reports on our site, remember to use your password: "goniners". Enjoy!

BY: Jude Bedell and Barbara Collins, CFP