



Thank God It's Friday!

April 17, 2009



Google made headlines this week by reporting solid earnings and incredible cash flow from sales. In the past 3 months, the company generated cash flow of \$2.2 Billion. That's BILLION. It is sitting on over \$17 Billion of cash and equivalents which is quite a war chest for mergers and acquisitions going forward. The online titan is on a mission

to organize the world's information and make it universally accessible...online...for free...worldwide. This is a monumental undertaking requiring a company with Google's talent, energy, imagination and chutzpah. Google is at times underestimated and misunderstood by investors because it is driven by MATH-equations, numbers, statistics and super geeks who really know how to turn qualitative reasoning into mega-bucks.

Google stock is up 27% in 2009 vs. the S&P down 4%. Today, the stock closed at \$392.

However, even mighty Google is not recession-proof. It is lucky to have an all-star CEO, Eric Schmidt who manages the company with great finesse. In his spare time, he is advising the Obama administration on science-based initiatives. The global economic environment remains tough as Google customers continue to use its search tools, but are definitely buying less from its advertisers. This is a compelling reason to confirm our stock strategy of owning TECH and BIO-TECH and FOOD/BEVERAGES and GOLD and CHINA. These investment sectors also create cash and are much less reliant upon banks and interest rate gyrations.

Today, stocks rose as investor sentiment was boosted by fresh signs of economic stability. Investors bet more strong results are in the offing after reassuring reports from General Electric and Citigroup. Apple's quarterly results are due next week. It's probably going to have positive things to say when it reports its first quarter results. **Apple shares rose to \$123, up 48 % since the market bottom of March 9th.**

The benchmark S&P 500 Index enjoyed its sixth straight weekly advance, its longest weekly winning streak since spring 2007. **The S&P 500 is now up 28 percent since the 12-year closing low of March 9th.**

You may recall April 18th is Earthquake Day, as well as two important birthdays here at Bedell: Jessie Reilly's and my son, John's. Between them, they have 30 years of service to our firm. Happy Birthday!

By: Jude Bedell