

Thank God It's Friday!

June 26, 2009



This first week of Summer was full of events that left us feeling optimistic about the second-half of 2009. We head into the weekend on a high note after Monday's major sell-off was completely erased by Friday. In fact, stocks are roughly flat for the month of June. Not too shabby considering the debacle known at MARCH 9th was only 99 days ago. The massive gains since March are largely still intact.

We are hard at work drafting our Summer Newsletter to lay-out our investment programs which are quite bullish for both bonds and stocks.

Our fearless leader of the Federal Reserve Bank, Ben Bernanke was visibly busy this week. He announced on Wednesday that the FED will be keeping interest rates down in the cellar. They are effectively at zero percent now. It is essential to keep rates low to stimulate the re-building and re-flating of our recession-weary economy. High rates would cut-off our current recovery at the knees.

Chairman Bernanke was raked through the coals on Capitol Hill with questions about the Fed's role in Bank of America's purchase of Merrill Lynch. Ben held his ground and appeared tougher and more confident than during previous encounters with our nation's lawmakers.

The Market surged yesterday, partly due to the fact that Bernanke successfully avoided any major scrutiny by Congress and partly because many institutional investors who missed the rally are finally out there shopping for good entry points. Our perspective on Bernanke is he survived the grilling, and is the best person for the job during these daring days when the world economy still fights to climb out of recession while averting depression. We expect President Obama to nominate Chairman Bernanke for another term and expect Congress will affirm the choice.

Next week marks the end of the 2nd Quarter of 2009; therefore, we will be publishing our Summer Newsletter while celebrating the Fourth of July. As always, our newsletter will highlight our specific investment outlook and new tactical strategies for the rest of the year. It seems unbelievable that we are halfway through the Year of the Ox, so don't wait to get out there and enjoy Summertime.

By: Mike Frazier