

**Thank God It's Friday!**

**March 5, 2010**



A quick and somewhat deep sell-off in the first week of February resulted in a 9% drop in stock prices. Fast forward to MARCH when stocks have reversed course and staged a serious rally, UP 9%. For 2010, we are back in the GREEN for all 3 major stock indexes, and just below the highs for the recovery rally which began exactly a year ago. During the sell-off, Bulls quickly morphed into Bears which shows the dearth of genuine confidence. Such vacillation is usually good for stocks.

Today, the DOW raced for a 100 point gain following release of a much better than expected JOB report. Unemployment remained at 9.7% according to the non-farm payroll report. The rate of decline has slowed substantially although we are probably several months away from a positive report which will reflect a net increase in employment.

Last March, Capitalism was under assault and nearly left for dead on the heels of the credit crunch. The Obama administration was just over a month in the White House. General Motors had just requested \$22 Billion in bailout from the government. The DOW was at 6700. Oil was at \$38 per barrel. The Steelers had just won their 6th Super Bowl title. And Slum Dog Millionaire had just taken the Best Picture Oscar.

Today, the DOW is nearly 60% higher at 10,566. Crude Oil is 115% higher at \$82 per barrel. The New Orleans Saints (I repeat, the New Orleans Saints) are Super Bowl champions. Massachusetts elected a Republican Senator. Last but not least, General Motors is out of bankruptcy AND now considered the hottest IPO for 2010. I don't think there is anyone on the planet that could have predicted all of this. It's been quite a year.

We like the way things are set up for the remainder of 2010. Recovery appears sustainable. The economy is on the mend, with job creation the key missing ingredient, but seemingly just around the corner. Europe's problems are real, but are now well known and should see some resolution shortly. The fact is that risks do remain, but as long as they are accounted for the Market tends to climb higher. And right now, the Market is telling us that 2010 should shape-up to be another good year for investors. And Avatar should take the Oscar but don't rule out UP, the first animated feature film nominated for Best Picture. Go Disney.

By Mike Frazier

