

**Thank God It's Friday!**

**June 11, 2010**



The origin of "Bull" and "Bear" Markets is believed to refer to the technique in which each animal attacks. Bulls drive their horns up, while Bears swipe with claws down. Both are fierce competitors. Right now there is great debate as to whether we are in the midst of a new Bull Market or if this remains a secular Bear Market. Regardless, the violent behavior in recent weeks is showing that the Bulls and Bears are in a heated battle. This week saw a reversal to the correction, with the strongest weekly gain since February. Chalk this one up to the Bulls!

With so many things going on, from the crisis in Europe to the oil spill in the Gulf, to Geo-Politics, there are real threats to this economic recovery and the Bull-Bear battle will continue. But much of the risk is in perception. China reported some strong data this week, with export growth of nearly 50% in May, suggesting Europe is not taking the rest of the global economy back into recession. This is significant because China has been the growth engine all along. And here in the US, recovery is choppy but still in motion.

But there is great pain out there, and Globalization is being put to a real test. Global trade creates a tangled economic web, and the strength of the collective fibers needs to withstand any weak strands. The PIIGS (Portugal, Italy, Ireland, Greece and Spain) are proving to be a little frayed. Fair trading requires confidence, just like investing. Confidence continues to be one of the most important missing ingredients. And in times of trouble, it's human nature to look out for number one. This can make things pretty dangerous when blame is cast across the globe. Accountability is critical. Fingers are being pointed in every direction. Nobody wants to assume blame. This has the Market confused and bipolar.

Now comes the patchwork. The issues are well known, and are in the process of being mended. Austerity measures in Europe. Containment and clean-up in the Gulf. Perhaps best of all for this connected planet is good old fashioned competition in sport. Let the world's aggressions get unleashed on the soccer pitch, at the World Cup in South Africa so the Bulls and Bears take the weekend off!

By: Mike Frazier