

Thank God It's Friday!

June 18, 2010



Much of the world's focus remains on the European nations. The time for action is now, as failure would be devastating. There was much activity this week, but thus far little success for the European Union. The PIIGS (Portugal, Italy, Ireland, Greece, and Spain) continue to disappoint. Germany suffered a bit of a setback, but Greece is actually showing signs that better days may be ahead.

The best results are found in Latin America and Asia, led by Brazil, Argentina and Japan. And ironically, the underlying strength of the United States always seems to surprise and beat expectations.

But enough about the World Cup of Soccer...

Actually, the first week of this quadrennial global soccer-fest is remarkably similar to the global economic landscape. Remember, soccer is still the most popular sport around the world. In digging a little, we have found that the countries with less debt are doing better than those that are highly levered. Brazil, Germany and Switzerland are high on the leader board, while Spain, Italy, Portugal and France find themselves near the bottom. In support of this theory, Chile had its credit rating upgraded on Wednesday by Moody's, and then won their match against Honduras hours later. And the great irony was the draw between the US and England. The tie is considered to be a victory for the Americans, and a loss for the Brits as the UK team was favored to win. But as it applies to economics, both global heavyweights find themselves in similarly challenging positions.

Back on Wall Street, which we view as the ultimate Global SCOREBOARD, things have perked up substantially. The DOW closed up Friday with a 4-day win streak in place. Taking a step further, we had Back-to-Back weekly gains for the first time since April. This has been the strongest 2 week period for the year and has us back in the green for 2010, and we are comfortably above DOW 10,000. The first half of the year is nearing a close, and we expect the second half to be eventful still. We see signs that May's Market correction could be behind us. But with more questions than answers at the current time, we don't see an end to this raucous volatility over the summer.

We are moving next Friday to a new suite in our same building. Our new suite will be on the 5th floor in our building and we will be in Suite 555 – easy to remember – floor 5, suite 555. We look forward to showcasing our new space at the end of the Summer when we will have an open house.

We will be open for business next Friday until 1pm and will suspend the TGIF on that date 6/25/10.

By: Mike Frazier