



## Stanton & Castleton, Inc.

An independent firm

### *Let's Review: Our Monthly Newsletter.....12/01/07*

This month:

It may not seem like it; however as of today (**11-23-2007**) the DOW, S&P and NASDAQ are all still positive for the year. We have seen more volatile trading in all the equity markets this year which we interpret as uncertainty in the short run. The recent sub-prime loan concerns along with oil prices testing the \$100 barrel mark began to slow our US economy these past several months with talk of a recession being a possibility. The Federal Reserve has moved to cut rates to help head off and or minimize a potential recession. Since the summer of 2007 we have seen 13 week T-Bill rates drop over 37%, the five year Treasury Notes are down over 37% and the ten year Treasury Notes are down over 27%. In our experience rate cuts like the recent moves by the FED will begin to have an impact about six months out, so we see some positives developing for 2008.

Our approach continues to focus on building well diversified portfolios that seek to manage risk by allocating to multiple asset classes and employing proven managers. It is useful to recall that while the S&P 500 is nearing its fifth positive year in a row, it has not come evenly: 2003 +28.7%, 2004 +10.9%, 2005 + 4.9%, 2006 +15.8% and through 1-23-2007 +3%. This could be our first negative year since 2002. While uninterrupted steady positive returns would be nice, it is unreasonable to count on it! We have also noticed that in the past we often "learn" of a recession only after we have already started the recovery. This is because the government Bureau of Economic Analysis often revises the quarterly growth rates downward and negative several quarters after the initial release.

What does this all mean to us? Focus on the things we have control over, asset allocation, savings (fund your 401k, IRA, 529 accounts), spending... less is more! In January we will rebalance your accounts to reflect our outlook for 2008 and beyond and your personal goals.

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*Interesting topics made fun!*

Each month we will host an early evening of cocktails and Hors D'oeuvres, where a guest speaker will inform, educate and perhaps amuse...*This month:*

**On December 6<sup>th</sup> from 5:00pm – 7:30pm** we are going host a Holiday Season ***OPEN HOUSE @ our offices!*** We want to welcome any and all, hoping you can find the time to enjoy a little Seasons Greetings from your Cracker Jack financial team. Come on by. We really want to see you! (*Call Charity for details...RSVP*).

***Bob:***

The Stanton Tribe would like to wish you all a very Merry Holiday Season! Now...sports update: Ethan's freshman football team finished undefeated! Cole's winter baseball team finished undefeated! Common denominator...I did not coach...ouch. Jordan has officially taken over the strongest male in the house title...ouch. I managed to learn something during the Turkey day football game I play in with a few dozen "old guys" ...any skills I once may have possessed (questionable) are gone. I have resorted to trash talking and trying to distract players with skills by barking obnoxious comments during a play...sad, but still fun! Happy Holidays!

***Ron:***

Sunny and I hosted all the family for Thanksgiving, my mother, brothers, in-laws, sister in-law and our kids all hit town for the festivities! Using our years of culinary skills and experience we ordered a smoked turkey from Honey Baked Ham (Ham too)...and it was good! I highly recommend farming out the major cooking after the age of 45...more time for football! Thanksgiving is the perfect holiday, everyone is together just long enough to enjoy and gone before the old family dynamics start to kick in! See you at the open house....

***Charity:***

My Mom is the best cook...this year she began to work on passing on all her secret family cooking skills so I can one day take over the holiday chore. I am not so sure I like the idea, and figure I have at least 3 or 4 more years

before I have to really pay attention...for now I will stick to becoming the family Sommelier!

Bye

*This month "Financial Topic": One more cartoon!*



*Once again, Bob, Charity & Ron hard at work*

**“In the end, how your investments behave is much less important than how you behave.”**

**Benjamin Graham  
The Intelligent Investor**

*The Numbers:*

**Closing Values / 11-23-2007**

<b>DOLLAR</b>	weaker	<b>NASDAQ</b>	2,596.60	+34.45
<b>10-YR YIELD</b>	4.01%	<b>S&amp;P 500</b>	1,440.70	+23.93
<b>VOLUME</b>	670,356,736	<b>DJIA</b>	12,980.88	+181.84

*Provided by Standard & Poor's*

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***Thanks!***

**(Referral Hotline: 877-975-0955)**

**M<sup>3</sup>**

**Manage.....Monitor.....Maintain**

