

# Investing Today...

## Timely Topics

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### Market Commentary (August 21, 2009)

### by Scott J. Brown, Ph.D., Chief Economist

The economic data were mixed, but generally consistent with a near-term bottom in the overall economy and a gradual recovery. Weekly claims for unemployment insurance benefits remained elevated (but not as badly so as earlier this year). Residential construction figures were mixed in July, with declines in the volatile multi-family sector. Single-family building permits and housing starts improved. The Federal Reserve's regional manufacturing surveys improved. Existing home sales for July exceeded expectations.

Speaking at the Kansas City Fed's annual monetary policy symposium, Fed Chairman Ben Bernanke said that *"after contracting sharply over the past year, economic activity appears to be leveling out, both in the United States and abroad, and the prospects for a return to growth in the near term appear good."* However, he also cautioned that *"strains persist in many financial markets across the globe, financial institutions face significant additional losses, and many businesses and households continue to experience considerable difficulty gaining access to credit."* Because of these and other factors, he added, *"the economic recovery is likely to be relatively slow at first, with unemployment declining only gradually from high levels."*

Reminder: Required Minimum Distributions (RMDs) Waived for 2009!

Penalties are temporarily suspended for Not Taking RMDs from Retirement Accounts in 2009, but if you have an automatic withdrawal you will need to cancel the distribution if you don't wish to take the RMD this year.

Next week, there will be a number of potentially market-moving data releases. Consumer confidence should remain weak in August, as labor market perceptions are likely to stay depressed. The estimate of Q2/09 gross domestic product (GDP) is expected to be revised lower (it was -1.0% in the advance estimate). The White House's Office of Management & Budget (OMB) & the nonpartisan Congressional Budget Office will each release revised budget projections – the OMB is expected to reduce its projection of the FY/09 deficit to \$1.58 trillion, down from the earlier estimate of \$1.84 trillion.

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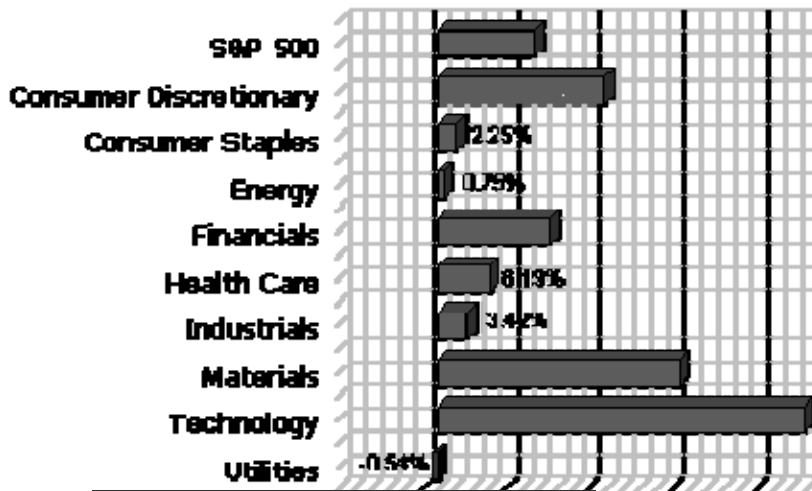
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***IRA Limits Unchanged***

The Internal Revenue Service (IRS) disappointed individuals because Traditional IRA & Roth contributions limits remain the same for 2009: \$5,000 (plus an additional \$1,000 catch-up contribution if you are aged 50 or over).

**S&P Sector Performance Charts – 8/21/2009**

**YTD Performance**



**Consumer Money Rates 8/21/2009**

	Last	1-year ago
Prime Rate	3.25	5.00
Fed Funds	0.25	2.00
30-year mortgage	5.35	6.32

**Commodities 8/21/2009**

	Last	1-year ago
Crude Oil	72.54	114.98
Gold	940.65	813.55

**Currencies 8/21/2009**

**Bond Rates as of 8/21/2009**

	Last	1-month ago
2-year treasury	0.99	1.00
10-year treasury	3.44	3.64
10-year municipal	4.98	5.06

	Last	1-year ago
Dollars per British Pound	1.651	1.862
Dollars per Euro	1.425	1.475
Japanese Yen per Dollar	94.19	109.86
Canadian Dollars per	1.087	1.060
Mexican Peso per Dollar	12.89	10.14

TEY = Taxable Equivalent Yield

Inclusion of these indexes is for illustrative purposes only. Keep in mind that individuals cannot invest directly in any index, & index performance does not include transaction costs or other fees, which will affect actual investment performance. Individual investor's results will vary. Past performance does not guarantee future results. The S&P 500 is an unmanaged index of widely held stocks that's generally considered representative of the U.S. stock market. Commodities are generally considered speculative because of the significant potential for investment loss. Commodities are volatile investments & should only form a small part of a diversified portfolio. There may be sharp price fluctuations even during periods when prices overall are rising. Gold is subject to the special risks associated with investing in precious metals, including but not limited to: price may be subject to wide fluctuation; the market is relatively limited; the sources are concentrated in countries that have the potential for instability; & the market is unregulated.

*We are looking for financial advisors to join the branch. Call 585-1212, if you are interested or would like to refer someone.*



**About Liza Campa-Flanagan...**

Liza (pronounced Lizza) has been an active professional in the financial services industry for over 20 years. She is a Certified Financial Planner™ and Certified Investment Management Analyst in addition to satisfying the educational requirements to be Registered as a General Securities Principal with Raymond James Financial Services, Inc. Liza also holds life, health, and variable annuity licenses in the State of Florida. She graduated with distinction from Eckerd College in Florida with a B.A. in Business and Management.