

**Timothy C. Hucks, CEP, President, Rising Tide, Inc., presents
Weekly Economic Update for the Week of January 4, 2010**

Quote of the week. “Cheers to a new year and another chance for us to get it right.” – Oprah Winfrey

Consumers think positive. The latest index of consumer attitudes from the Conference Board came in at 52.9 last week, surpassing the 52.5 forecast in a Reuters poll of analysts and the 50.6 mark recorded in November. The expectations index (the “how do you feel about the next 6 months” gauge) hit 75.6, the best reading since December 2007.¹

Initial claims suggest happier 2010. They fell again in the Labor Department’s December 26 report, down to 432,000 - the lowest figure since July 2008. Analysts polled by Briefing.com thought they would rise to 460,000. Initial jobless claims have trended downward since late March.²

Mortgage rates & home prices rise. Checking the newly released October Case-Shiller home price index, we see that residential prices rose by 0.4% nationally with gains in 11 of 20 metro areas. The latest index has prices up 3.5% nationally since May. Rates on 30-year FRMs increased for the fourth straight week to 5.14% in Freddie Mac’s last national survey of 2009.^{3,4}

A very good year for gold and oil. Gold gained 23.96% in 2009, ending the year at \$1,096.20 an ounce. Crude oil rose 77.94% in 2009 (and 1.68% last week) to finish the year at \$79.36 a barrel. From the end of 1999 to the end of 2009, gold prices rose 278.52% and oil prices gained 210.00%.⁵

And finally ... At the close of the final market day of 2009, the DJIA stood at 10,428.05, the NASDAQ at 2,269.15, and the S&P 500 at 1,115.10. All three of the indices posted weekly losses, but Wall Street was savoring the big picture: the great 2009 gains and the 64.83% advance of the S&P 500 since its March 9 close.⁶

Riddle of the week. A man jumped out of a small plane without a parachute. When he hit the ground, he wasn’t injured at all. Why?

Contact my office or see next week’s Update for the answer.

Last week’s riddle: What number should be next in this series: 9, 16, 25, 36?

Last week’s riddle answer: The next number is 49. $3^2 = 9$, $4^2 = 16$, $5^2 = 25$, $6^2 = 36$, and so on.

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If you would like us to add them to our list, please reply with their address
and we will contact them and ask for their permission to be added.**

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<i>% Change</i>	2009	Since 3/9/09	5-Yr Avg	10-Yr Avg
DJIA	+18.82	+59.28	-0.66	-0.93
NASDAQ	+43.89	+78.87	+0.86	-4.42
S&P 500	+23.45	+64.83	-1.60	-2.41
<i>Real Yield</i>	12/31	1 Yr Ago	5 Yrs Ago	10 Yrs Ago
10YrTIPS	1.48%	2.14%	1.68%	4.14%

(Source: CNNMoney.com, ustreas.gov, bls.gov, 12/31/09)^{6,7,8,9}
Indices are unmanaged, do not incur fees or expenses, and cannot be invested into directly. These returns do not include dividends.

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Citations.

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