

**Timothy C. Hucks, CEP, President, Rising Tide, Inc., presents
Weekly Economic Update for the Week of January 11, 2009**

Quote of the week. "Wisdom is found only in truth." – Johann Wolfgang Von Goethe

Jobless rate stays at 10.0%. Hopes were high on Wall Street that unemployment would fall back to single digits, but at least things stayed flat for December. The positives: the 10.0% figure was better than the 10.1% reading economists polled by Dow Jones Newswires expected, and revised November figures showed the economy actually added 4,000 jobs two months ago.¹

Service sector expands. The Institute for Supply Management's services index came in at 50.1 for December, meaning marginal growth – and a rise from November's 48.7 mark. ISM's service sector employment index improved to 44.0 in December from 41.6 a month earlier.²

Interpreting pending home sales. They fell 16.0% in November, but consider some factors. A wave of buyers raced to exploit tax credits in October, so we were primed for a fall - and winter isn't a prime time to buy or sell. In the big picture, the National Association of Realtors noted that pending home sales for November 2009 were 15.5% above levels of a year before.³

More orders, bigger stockpiles. According to the Census Bureau, factory orders went north 1.1% in November; analysts had expected about half that gain. Wholesale inventories rose 1.5% last month (best month since October 2004) and wholesale sales rose 3.3% (strongest month since January 2008).^{4,5}

2.68% gain to start 2010. Yes, that was how much the S&P 500 rose in the first trading week of the year. A January effect sent the NASDAQ 2.12% higher and the Dow 1.82% higher as well. Friday morning, the CBOE VIX hit its lowest level in 19 months.^{6,7}

Riddle of the week. There is a kind of sweet bean that never grows in a garden. What is it?
Contact my office or see next week's Update for the answer.

Last week's riddle: A man jumped out of a small plane without a parachute. When he hit the ground, he wasn't injured at all. Why?

Last week's riddle answer: The plane was parked on the ground.

***Please feel free to forward this article to family, friends or colleagues.
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.***

Timothy C. Hucks, CEP, is a Certified Estate Planner, Registered Investment Advisor and President of Rising Tide, Inc. He may be reached at www.risingtideinc.com, 919-968-8675, or tim@risingtideinc.com. Securities offered through [Capital Investment Group, Inc.](http://CapitalInvestmentGroup.com) Corporate Office: 17 Glenwood Avenue, Raleigh, NC 27603 • 919.831.2370. Member [FINRA](http://FINRA.com)/[SIPC](http://SIPC.com).

<i>% Change</i>	<i>Y-T-D</i>	<i>1-Yr Chg</i>	<i>5-Yr Avg</i>	<i>10-Yr Avg</i>
DJIA	+1.82	+21.46	+0.03	-0.78
NASDAQ	+2.12	+43.30	+2.19	-4.03
S&P 500	+2.68	+25.86	-0.69	-2.06
<i>Real Yield</i>	<i>1/8</i>	<i>1 Yr Ago</i>	<i>5 Yrs Ago</i>	<i>10 Yrs Ago</i>
10YrTIPS	1.41%	1.97%	1.80%	4.34%

(Source: CNNMoney.com, ustreas.gov, bls.gov, 1/8/10)^{6,8,9,10}
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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