

Garvey & Associates, Inc. Presents Weekly Economic Update for the Week of March 15, 2010

Quote of the week. "Getting people to like you is merely the other side of liking them." – Norman Vincent Peale

Good news at the cash register. Commerce Department data showed retail purchases up by 0.3% in February despite all the snow, sleet and rain, and 3.9% above where they were a year earlier. Most retail sales sectors had month-over-month increases.¹

Signs of rising demand. Business sales increased by 0.6% in January (business inventories were flat). January 2010 business sales were 6.8% better than a year before. Other Commerce Department data shows wholesale sales jumping by 1.3% in January and wholesale stockpiles decreasing by 0.2%.^{2,3}

Consumer confidence wavers. The preliminary Reuters/University of Michigan consumer sentiment survey is in for March. The index reads 72.5, down from a final 73.6 in February. However, things have improved notably from March 2009 when the gauge stood at 57.3.⁴

Gold & oil retreat. Gold had its poorest week since mid-January as prices dipped 2.93% last week to settle at \$1,101.50 Friday on the COMEX. Oil fared better, losing just 0.32% across five days. Oil futures were \$81.24 a barrel at Friday's NYMEX close.⁵

Nice gains on Wall Street. Stocks pulled off weekly gains during a stretch of five trading days with only mild volatility. The DJIA advanced 0.55% last week, while the S&P 500 rose 0.99% and the

NASDAQ gained 1.78%. The S&P 500 closed Friday at a 17-month high: 1,149.98.⁶

% Change	Y-T-D	1-Yr Chg	5-Yr Avg	10-Yr Avg
DJIA	+1.89	+48.18	-0.28	+0.68
NASDAQ	+4.34	+66.02	+3.19	-5.18
S&P 500	+3.13	+53.18	-0.83	-1.69
Real Yield	3/12	1 Yr Ago	5 Yrs Ago	10 Yrs Ago
10YrTIPS	1.45%	1.88%	1.82%	4.34%

(Source: CNBC.com, CNNMoney.com, ustreas.gov, bls.gov, 3/12/10)^{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.

Riddle of the week. Three light switches are in the "off" position. Each connects to a light bulb in an adjoining room that you cannot see into. You can freely switch the light bulbs on and off, but you can only go into the adjoining room once to check on the state of the bulbs. Is it possible to tell which switch controls which bulb?

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

Last week's riddle: What should the last entry be in the following sequence of numbers ... 9|18, 8|46, 7|94, 6|63, 5|52, 4|___?

Last week's riddle answer: Each sequence represents the square root of a number with digits reversed (9 is the square root of 81, 8 is the square root of 64, and so on). So the missing number is 61 (4 is the square root of 16).

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If you would like us to add them to our list, please reply with their address
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Citations.

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