

Weekly Global Market Commentary February 22nd, 2010

Stock Market Performance

	02/19/10	W-o-W	M-o-M	Y-o-Y
DJIA	10,402	3.0%	-3.0%	39.3%
S&P 500	1,109	3.1%	-3.6%	42.4%
S&P/TSX	11,709	2.1%	-0.5%	43.1%
S&P/TSX-V	1,532	2.2%	-5.0%	69.8%
BSX	1,919	-6.3%	-5.3%	-33.8%
FSTE100	5,358	4.2%	-2.8%	33.3%
DAX	5,722	4.0%	-4.3%	35.7%
CAC	3,770	4.7%	-6.0%	31.2%
Nikkei	10,124	0.3%	-6.0%	34.0%
Hang Seng	19,894	-1.8%	-8.2%	52.8%
Shanghai	3,018	0.0%	-7.0%	35.5%
MSCI World	1,134	2.4%	-5.7%	43.6%

Market Recap - Week Ending 02/19/10

North American and European equity indices posted a strong week, with average gains of 3%, while emerging markets remained relatively flat. After a four-week selloff that saw a technical correction in the broad market of roughly 10%, the recent two-week rally has brought the major market indices close to break-even levels for the year. Investors were mildly surprised when the Fed raised the discount rate to 0.75%, sparking fears of inflation and near-term increases in the more widely-followed Fed funds rate. However, officials shot down these concerns—explaining that this move was largely symbolic and not indicative of a broader rise in rates—particularly with the unemployment rate still hovering above 10%. Commodity prices continued their roller coaster ride, with oil rebounding to \$80 per barrel, and gold rising comfortably above the \$1100 level.

The Week Ahead

This week will see Consumer Confidence numbers on Tuesday, followed by two days of bi-annual testimony by Ben Bernanke on Capitol Hill. The Fed Chairman is expected to undergo a good deal of criticism, as lawmakers decide how to reform the financial system, and precisely what role the Fed will play. Late-week will see a bevy of economic releases, with U.S. Durable Goods Orders on Thursday followed by U.K. and U.S. GDP as well as European CPI numbers on Friday.

The earnings reporting season is now nearly complete; major releases this week come from Home Depot, Target, CIBC, The Gap, and Deutsche Telekom.

Key Rates and Prices

Currencies	02/19/10	Month ago	Year ago
EUR	\$1.36	\$1.43	\$1.27
GBP	\$1.55	\$1.64	\$1.43
JPY	¥91.52	¥91.14	¥94.20
CAD	\$0.96	\$0.97	\$0.79
CHF	\$0.93	\$0.97	\$0.85
AUD	\$0.90	\$0.92	\$0.64

Fixed Income

3M LIBOR	0.25	0.25	1.25
3M Treasury Bill	0.10	0.05	0.31
2Yr Treasury Note	0.92	0.89	0.99
10Yr Treasury Note	3.78	3.69	2.86
Fed Funds Rate	0.25	0.25	0.25

Commodities

Gold/oz.	1,119.20	1,138.20	974.65
Silver/oz.	16.32	18.75	14.04
Copper/lb.	3.37	3.42	1.49
Oil	79.81	79.02	39.48

Global Economic Calendar (Feb. 22 - Feb. 26)

Mon:	BOJ Policy Meeting (Jap)
Tue:	<u>Consumer Confidence</u> (US)
Wed:	<u>GDP</u> (Ger), New Home Sales (US), <u>Bernanke Testimony</u> (US)
Thur:	Unemployment Rate (Ger), Consumer Confidence (EMU), <u>Bernanke Testimony</u> (US), <u>Initial Jobless Claims</u> (US), Durable Goods Orders (US), CPI (Jap)
Fri:	<u>GDP</u> (UK), <u>CPI</u> (EMU), CPI (Ger), <u>GDP</u> (US), Existing Home Sales (US)

*These recommendations do not represent specific trade ideas. Not suitable for all investors.
 For further information call your local LOM Investment Advisor. LOM is licensed to conduct investment business by the
 Bermuda Monetary Authority*