

Weekly Global Market Commentary October 19th, 2009

Stock Market Performance

	10/16/09	W-o-W	M-o-M	Y-o-Y
BSX	2,274	-2.1%	-4.6%	-39.7%
DJIA	9,996	1.3%	2.1%	11.3%
S&P 500	1,088	1.5%	1.8%	14.9%
S&P/TSX	11,505	0.6%	-0.4%	24.1%
S&P/TSX-V	1,332	1.9%	3.7%	42.0%
FSTE100	5,190	0.5%	1.3%	34.4%
DAX	5,743	0.6%	0.8%	24.2%
CAC	3,828	0.7%	0.4%	20.3%
Nikkei	10,258	2.4%	-0.1%	21.3%
Hang Seng	21,930	2.0%	2.5%	44.0%
Shanghai	2,977	2.2%	-0.8%	55.8%
MSCI World	1,156	1.4%	1.6%	23.4%

Market Recap - Week Ending 10/16/09

Markets closed higher week-over-week after positive reactions to several earnings beats. JPMorgan, IBM, Google, Goldman Sachs and Citigroup all came in ahead of expectations while Bank of America fell short. In the end, the S&P and Dow closed 1.5% and 1.3% higher, respectively. The dollar did not fare so well, hitting a 52-week low, which in turn let to a surge in commodities. Gold hit an all time (nominal) high while oil hit 2009 highs. Other news from the U.S. included retail sales, initial jobless claims, and Empire State manufacturing data, with all coming in better-than-expected. Signs of a recovery continued with Euroland industrial production rising for the fourth straight month, Japan's household confidence lifting to a 23-month high, and strong domestic demand numbers out of China.

The Week Ahead

At the start of the week, equity markets in Europe closed 1% -2% higher while U.S. markets were up around 1% in midday trading. Earnings reports will be the main focus as investors try to evaluate the magnitude of the economic recovery. So far, a healthy majority of companies have topped analyst expectations. This week's earnings reports will come from a wide range of industries and thus may paint a more complete picture compared to last week, which saw heavy reporting from the financial sector. In addition to earnings, which have been salvaged by aggressive cost cutting, investors will be especially interested in top-line revenue growth and projected outlook.

Key Rates and Prices

Currencies	10/16/09	Month ago	Year ago
EUR	\$1.49	\$1.47	\$1.35
GBP	\$1.64	\$1.65	\$1.73
JPY	¥90.89	¥90.93	¥101.57
CAD	\$0.96	\$0.94	\$0.85
CHF	\$0.98	\$0.97	\$0.88
AUD	\$0.92	\$0.87	\$0.69

Fixed Income

3M LIBOR	0.28	0.29	4.50
3M Treasury Bill	0.09	0.11	0.43
2Yr Treasury Note	0.87	0.99	1.62
10Yr Treasury Note	3.22	3.47	3.96
Fed Funds Rate	0.25	0.25	1.50

Commodities

Gold/oz.	1,053.60	1,017.30	804.60
Silver/oz.	17.47	17.40	9.67
Copper/lb.	2.83	2.91	2.11
Oil	78.53	72.51	69.85

Global Economic Calendar (Oct. 19 - Oct. 23)

- Mon:** Fed's Bernanke Speech (US)
- Tue:** Leading Economic Index (Jap.); PPI (Ger.); Money Supply (UK); PPI (US); BoC Rate Decision (Can.)
- Wed:** BoE Minutes (UK); Fed's Beige Book (US)
- Thur:** Trade Balance (Switz.); Retail Sales (UK); Initial Jobless Claims, Housing Price Index (US); Retail Sales, BoC Monetary Policy Report (Can.)
- Fri:** IFO - Business Climate (Ger.); GDP (UK); Industrial New Orders (EMU); Fed's Bernanke Speech, Existing Home Sales (US)

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