

## Weekly Global Market Commentary October 5<sup>th</sup>, 2009

### Stock Market Performance

	10/2/09	W-o-W	M-o-M	Y-o-Y
BSX	2,377	0.0%	3.0%	-38.9%
DJIA	9,488	-1.8%	2.2%	-9.5%
S&P 500	1,025	-1.8%	3.1%	-8.0%
S&P/TSX	10,958	-2.3%	2.4%	0.5%
S&P/TSX-V	1,244	-1.2%	5.0%	-5.2%
FSTE100	4,989	-1.8%	3.6%	2.4%
DAX	5,468	-2.0%	2.8%	-3.4%
CAC	3,650	-2.4%	2.1%	-7.9%
Nikkei	9,732	-5.2%	-5.3%	-12.8%
Hang Seng	20,375	-3.1%	4.4%	11.9%
Shanghai	2,779	-2.1%	2.4%	21.2%
MSCI World	1,089	-2.4%	2.8%	-4.6%

### Market Recap - Week Ending 10/2/09

Markets closed lower for the second straight week after a batch of disappointing economic data. The Dow and S&P 500 were off 1.8% each while the MSCI World fared worse at a 2.4% decline. Employment numbers from last week (ADP Employment change on Wed., Initial Jobless Claims on Thurs., and Nonfarm Payrolls on Fri) were all worse than expected and painted a grim picture of the U.S. economy. Chicago PMI, ISM Manufacturing, and Consumer Confidence all fell short of expectations as well. Although the recovery has been choppy and anemic, many economist are still predicting third quarter U.S. GDP growth of 2+%. Spending on autos (stimulated by the Cash for Clunkers program) and a modest pickup in housing will be the likely drivers for third quarter growth. Whether or not it can last remains to be seen and will depend heavily on consumer spending in the fourth quarter.

### The Week Ahead

At the start of the week, equity markets began on a moderately positive tone after better-than-expected ISM numbers were released. The report showed that U.S. service industries expanded for the first time in a year. The economic calendar is otherwise thin this week. Rate decisions out of Europe (UK and EMU) on Thursday are expected to be uneventful, while consensus estimates are calling for a widening of the U.S. deficit when Trade Balance data is released on Friday.

### Key Rates and Prices

Currencies	10/2/09	Month ago	Year ago
EUR	\$1.46	\$1.43	\$1.38
GBP	\$1.59	\$1.63	\$1.76
JPY	¥89.81	¥92.22	¥105.33
CAD	\$0.93	\$0.90	\$0.93
CHF	\$0.97	\$0.94	\$0.88
AUD	\$0.87	\$0.83	\$0.77

### Fixed Income

3M LIBOR	0.28	0.33	4.21
3M Treasury Bill	0.09	0.13	0.60
2Yr Treasury Note	0.87	0.90	1.62
10Yr Treasury Note	3.22	3.31	3.63
Fed Funds Rate	0.25	0.25	2.00

### Commodities

Gold/oz.	1,002.80	978.50	836.40
Silver/oz.	16.17	15.40	10.84
Copper/lb.	2.67	2.80	2.65
Oil	69.95	68.05	93.97

### Global Economic Calendar (Oct. 5 - Oct. 9)

- Mon:** Retail Sales (EMU); ISM Non-Manufacturing
- Tue:** Trade Balance, RBA Rate Decision (AU); CPI (Switz.); Industrial Production, NIESR GDP Estimate (UK); Building Permits, PMI (Can.); Consumer Confidence (US)
- Wed:** Leading Economic Index, Trade Balance (Jap.); Factory Orders (Ger.)
- Thur:** Unemployment Rate (AU); Industrial Production (Ger.); BoE Rate Decision (UK); ECB Rate Decision, Trichet Speech (EMU); Housing Starts (Can.); Initial Jobless Claims, Bernanke Speech (US)
- Fri:** CPI, Trade Balance (Ger.); PPI, Trade Balance (UK); Unemployment (Can.); Trade Balance (US)

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