



Weekly Global Market Commentary July 6th, 2009

Stock Market Performance

	7/3/09	W-o-W	M-o-M	Y-o-Y
DJIA	8,281	-1.9%	-4.5%	-26.6%
S&P 500	896	-2.4%	-3.8%	-29.0%
S&P/TSX	10,283	-1.0%	-0.1%	-27.3%
S&P/TSX-V	1,093	-1.7%	-1.4%	-57.3%
FSTE100	4,236	-0.1%	-3.4%	-22.6%
DAX	4,708	-1.4%	-6.9%	-25.9%
CAC	3,120	-0.3%	-5.7%	-28.2%
Nikkei	9,816	-0.6%	0.8%	-26.0%
Hang Seng	18,203	-2.1%	-2.0%	-14.3%
Shanghai	3,088	5.5%	11.1%	14.2%
MSCI World	947	-1.8%	-3.7%	-31.0%

Key Rates and Prices

Currencies	7/3/09	Month ago	Year ago
EUR	\$1.40	\$1.42	\$1.57
GBP	\$1.63	\$1.63	\$1.98
JPY	¥96.04	¥95.99	¥106.73
CAD	\$0.86	\$0.90	\$0.98
CHF	\$0.92	\$0.93	\$0.97
AUD	\$0.80	\$0.80	\$0.96

Fixed Income

3M LIBOR	0.56	0.64	2.79
3M Treasury Bill	0.16	0.13	1.85
2Yr Treasury Note	0.99	0.91	2.53
10Yr Treasury Note	3.50	3.54	3.98
Prime Rate	3.25	3.25	5.00
Fed Funds Rate	0.25	0.25	2.00

Commodities

Gold/oz.	932.25	963.07	934.45
Silver/oz.	13.40	15.35	18.26
Copper/lb.	2.26	2.23	3.92
Oil	66.73	66.12	145.29

Market Recap - Week Ending 7/3/09

Economic fears pressured stocks for the third straight week. Sentiment has changed from confidence of a recovery in the second half of 2009 to uncertainty about a distinct recovery. The only major index posting an advance was Shanghai, which posted an impressive gain of 5.5% week-over-week and is now up over 14% year-over-year. Commodities and related equities were amongst the key decliners, which comes as no surprise since economic growth is the key driver of demand for natural resources. As investors continue to reassess the outlook for a global economic recovery, weakness could continue until there is more definitive proof of green shoots. This is especially true for data out of the largest economies such as the United States. Last week, however, markets were disappointed by a uninspiring jobs report. Unemployment in the U.S. now stands at 9.5%, a 25-year high.

The Week Ahead

With earnings season approaching, fears have been renewed that record-high unemployment will hurt profits further. In addition, the hike in personal savings rates may hinder consumption expenditures for some time. This will continue to pressure equities until data shows economic improvement. This week, however, is relatively light on the news front. The U.S. dollar will likely be a key focus if the G8 meeting includes any discussions regarding the status of the dollar as a global reserve currency.

Global Economic Calendar (July 6-July 10)

Mon: Leading Economic Index (Jap.)

Tue: RBA Rate Decision (AU); Industrial Production, Manuf. Production, Consumer Confidence, NIESR GDP Estimate (UK); Factory Orders (Ger.); Ivey PMI (Can.)

Wed: Industrial Production (Ger.); EIA Crude Oil Stocks (US)

Thur: Unemployment (AU); Trade Balance, BoE Rate Decision (UK); Housing Starts (Can.)

Fri: G8 Meeting (Group of Eight); PPI (UK); Unemployment, International Merchandise Trade (Can.); Import Price Index, Trade Balance, U. of Michigan Consumer Sentiment (US)

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