



## Weekly Global Market Commentary July 27<sup>th</sup>, 2009

### Stock Market Performance

	7/24/09	W-o-W	M-o-M	Y-o-Y
<b>BSX</b>	2,258	-1.9%	-5.9%	-51.6%
<b>DJIA</b>	8,147	4.0%	9.6%	-19.9%
<b>S&amp;P 500</b>	879	4.1%	8.7%	-21.8%
<b>S&amp;P/TSX</b>	9,747	3.1%	5.8%	-19.1%
<b>S&amp;P/TSX-V</b>	1,046	4.4%	4.9%	-47.6%
<b>FSTE100</b>	4,127	4.3%	6.9%	-14.7%
<b>DAX</b>	4,576	5.0%	8.1%	-18.8%
<b>CAC</b>	2,983	4.6%	5.7%	-22.6%
<b>Nikkei</b>	9,287	5.8%	3.7%	-26.9%
<b>Hang Seng</b>	17,708	6.3%	11.7%	-13.4%
<b>Shanghai</b>	3,114	5.7%	15.4%	15.9%
<b>MSCI World</b>	921	4.6%	8.0%	-24.7%

### Key Rates and Prices

Currencies	7/24/09	Month ago	Year ago
<b>EUR</b>	\$1.42	\$1.39	\$1.57
<b>GBP</b>	\$1.64	\$1.64	\$1.99
<b>JPY</b>	¥94.79	¥95.66	¥107.33
<b>CAD</b>	\$0.92	\$0.86	\$0.99
<b>CHF</b>	\$0.93	\$0.91	\$0.96
<b>AUD</b>	\$0.82	\$0.80	\$0.96

### Fixed Income

<b>3M LIBOR</b>	0.50	0.60	2.80
<b>3M Treasury Bill</b>	0.18	0.19	1.64
<b>2Yr Treasury Note</b>	1.00	1.20	2.61
<b>10Yr Treasury Note</b>	3.66	3.69	4.00
<b>Fed Funds Rate</b>	0.25	0.25	2.00

### Commodities

<b>Gold/oz.</b>	951.35	931.40	928.05
<b>Silver/oz.</b>	13.91	13.87	17.43
<b>Copper/lb.</b>	2.50	2.29	3.58
<b>Oil</b>	68.05	68.67	125.49

### Market Recap - Week Ending 7/24/09

In a sharp reversal from a month of declines, equity markets have rallied recently with the S&P 500 jumping more than 11% over the last two weeks. There has been scant economic data of late, and therefore the main focus has been on second quarter earnings. Last week, over 25% of the S&P constituents reported, and judging by stock market performance alone, investors are quite pleased so far. However, earnings have beat expectations not on positive revenue surprises but rather on cost-cutting measures that have helped the bottom line. Unemployment continues to rise and home sales remain depressed, though they appear to have stabilized recently. In general, most investors are expecting that the economy will continue to stagnate throughout this year before we start to see a gradual recovery in 2010.

### The Week Ahead

Economic data picks up somewhat this week. On Wednesday, the Fed will release its Beige Book and U.S. second quarter GDP is published on Friday. Earnings will continue to dominate the news as we see a flood of reports. Given the positive surprises over the last two weeks, it's likely that earnings will continue to beat street expectations. However, it remains to be revealed whether or not the market can sustain its recent rally. In our view, equities are overbought at these levels and the economy has a lot more to suffer before improving. Recently, the LOM Investment Policy Committee lowered its strategic allocation to equities by 5% after the S&P crossed the 950 mark. We expect that a more attractive entry point will come about and we will increase our equity allocation at that time.

### Global Economic Calendar (July 27-July 31)

**Mon:** Housing Prices (UK); New Home Sales, Bernanke Speech (US)

**Tue:** Business Confidence (AU); Consumer Confidence, Bernanke Speech (US); Retail Trade (Jap.)

**Wed:** New Home Sales (AU); Durable Goods Orders, EIA Crude Oil Stocks, Fed's Beige Book (US)

**Thur:** Initial Jobless Claims (US); Gfk Consumer Confidence (UK)

**Fri:** GDP, GDP Price Index (US)

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