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Last week's economic numbers as a whole were positive, but there are a few concerns out there. Friday's unemployment number (9.7% act. vs. 10.0 est.) surprised nicely to the upside, breaking through the 10% number, but nonfarm payrolls (-20k act. vs. +15K) and weekly jobless claims (480k act. vs. 455k.est.) both were worse than expected, showing companies are still laying off. Add to that the Bureau of Labor Statistics annual benchmark revision for the year, and they reported a downward revision of -930K jobs – much bigger than the expected -824k jobs lost last year. Another major concern out there is the PIIGS situation. That is the economic conditions of Portugal, Ireland, Italy, Greece and Spain and how they will affect economic conditions throughout Europe and the global economy, as their economies are struggling badly.

This week we once again have supply to get through, as the Treasury auctions \$81B of notes and bonds along with their weekly \$51B 3, and 6 month t-bills, and monthly \$26B year bills. The two economic numbers to watch will be Nat'l Federation of Independent Business Optimism tomorrow since small businesses have accounted for 6 of every 10 jobs created over the past 15 years, and then Thursday's Retail Sales for a read on how the consumer is spending. We also have a three-day weekend coming up, so activity in the markets could be light by week's end.

			Expected	Previous
2/8	Monday			
2/9	Tuesday	NFIB Small Business Optimism (Jan)		vs. 88.0
		Wholesale Inventories (Dec)	+0.5%	vs. +1.5%
		Three Year Treasury Note Auction \$40B		
2/10	Wednesday	Trade Balance (Dec)	-\$35.5B	vs. -\$36.4B
		Ten Year Treasury Auction \$25B		
2/11	Thursday	Retail Sales (Jan)	+0.3%	vs. -0.3%
		Retail Sales Ex-Autos (Jan)	+0.5%	vs. -0.2%
		Business Inventories (Dec)	+0.4%	vs. +0.4%
		Thirty Year Treasury Auction \$16B		
		Jobless Claims (Jan 30)	465k	vs. 480k
2/12	Friday	U of Michigan Confidence (Feb)	75.0	vs. 74.4

Treasury Curve

Maturity	Yield 2/8/10	Monday 2/1/10
1 Year	0.28	0.30
2 Year	0.78	0.86
5 Year	2.24	2.38
10 Year	3.57	3.63
30 Year	4.52	4.51

Dow

2/5/10	+/-	7:00 A.M.	+/-
10012.23	+10.05	9968.78	-43.45
MSFT	28.02	27.90	-0.12
BA	58.40	58.73	+0.33