

THE MASTERS, LLC. WEALTH MANAGEMENT GROUP

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GARY MASTRODONATO Presents:

WEEKLY ECONOMIC UPDATE

January 23, 2012

WEEKLY QUOTE

"Do you know the difference between education and experience? Education is when you read the fine print; experience is what you get when you don't."
- Pete Seeger

WEEKLY TIP

Check your credit report annually for errors. (They are not uncommon.) Under federal law, you are entitled to a free annual credit reports from the big 3 credit reporting agencies (Equifax, Experian and TransUnion) each year.

WEEKLY RIDDLE

I'm usually standing on a city sidewalk, and I'll always stand by your car. But if you don't feed me, I may get into

NO CONSUMER INFLATION INCREASE IN DECEMBER

For the second month in a row, the Labor Department reported no advance in its Consumer Price Index. Core CPI did rise 0.1% last month. Across 2011, consumer prices rose 3.0%; last year was the most inflationary year since 2007. As for wholesale inflation, the Producer Price Index declined 0.1% in December.¹

MORE HOMES MOVING ON THE MARKET

The National Association of Realtors announced a 5.0% increase in existing home sales for December, with a 4.6% gain in sales of single-family houses. For all of 2011, existing home sales improved by 1.7% as the median sale price declined 3.9%. One negative real estate signal last week: in December, housing starts fell by 4.1%.^{1,2,3}

FEWEST INITIAL JOBLESS CLAIMS IN FOUR YEARS

The Labor Department said initial applications for jobless benefits dropped by 50,000 to 352,000 in the week ending January 14. That is the lowest number of initial claims taken in any week since April 2008.¹

GOLD GAINS 2% IN FIVE DAYS

Its 2.04% weekly advance on the COMEX led to a closing price of \$1,664.00 Friday. Gold's rise was not matched by oil (-0.37%) or the U.S. Dollar Index (-1.69%) last week. Oil ended the week at \$98.33 a barrel on the NYMEX.²

DOW RISES FOR A FOURTH STRAIGHT WEEK

Stocks have surprised many analysts this month, as Wall Street has paid more attention to earnings than to news from Europe. The weekly numbers: S&P 500, +2.04% to 1,315.38; NASDAQ, +2.80% to 2,786.70; DJIA, +2.40% to 12,720.48.^{2,3}

THIS WEEK: EU finance ministers meet on Monday, and Halliburton and Texas Instruments announce Q4 earnings. On Tuesday, Q4 results roll in from Apple, Yahoo!, Johnson & Johnson, Travelers, Verizon, DuPont, and McDonald's, and President Obama will make a State of the Union address. On Wednesday, Boeing, Netflix, Motorola, Symantec, Amgen, SanDisk, ConocoPhillips and Delta all come out with earnings reports, NAR delivers news about December pending home sales, and the Fed concludes a policy meeting. Thursday brings Q4 earnings from AT&T, Time Warner Cable, Nokia, Starbucks, Caterpillar, 3M, Bristol-Myers and AutoNation, plus reports on December durable goods orders and new home sales and the latest initial claims figures. Friday, we have the government's first take on Q4 GDP, the final University of Michigan consumer sentiment survey of January and earnings from Chevron, D.R. Horton and Procter & Gamble.

trouble. What am I?
Last week's riddle:
 Create a 13-letter word using all 13 of the following letters: O A I I S T T R R D N A M.
Last week's answer:
 Administrator.

% CHANGE	Y-T-D	1-YR CHG	5-YR AVG	10-YR AVG
DJIA	+4.12	+7.59	+0.25	+3.10
NASDAQ	+6.97	+3.05	+2.74	+4.80
S&P 500	+4.59	+2.74	-1.61	+1.75
REAL YIELD	1/20 RATE	1 YR AGO	5 YRS AGO	10 YRS AGO
10 YR TIPS	0.01%	1.22%	2.47%	3.48%

Sources: money.msn.com, bigcharts.com, treasury.gov, treasurydirect.gov - 1/20/12^{2,4,5,6}
 Indices are unmanaged, do not incur fees or expenses, and cannot be invested into directly.
 These returns do not include dividends.

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 We will contact them first and request their permission to add them to our list.**

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