



ALL STAR FINANCIAL

Contact Information: asf@allstarfinancial.com
Main Number 952-896-3820
 Bob Klefsaas 952-896-3816
 Maren Aipperspach 952-896-3817
 Bruce Bonner 952-896-3818
 Paul Sommerstad 952-896-3835
 Nick Hohn 952-896-3823
 Kris Collins 952-896-3829
 Evan Klefsaas 952-896-3815
 Valerie Moorhead 952-896-3826

Weekly Market Wrap April 5, 2010

Review - Week Ending 04/01/2010

Stocks tacked on more gains last week, with foreign stocks moving back into market leadership, while bonds remained firm as the Fed ended its mortgage buying program. The next few weeks we will be in a pre-earnings lull, with economic data driving the markets. This week the key release may be the FOMC minutes on Wednesday, as bond markets look for Fed signals on interest rates.

Commentary/Highlights

- **Vehicle Sales Rebound:** Vehicle sales rebounded to 11.8 million on annualized basis in March, the highest monthly sales since the “cash for clunkers” spike last summer. Sales at Toyota, Ford, and Nissan were particularly strong, all up around 40% year/year. The results indicate strong manufacturing data should persist.
- **Economy Creating Jobs Again:** Last week’s jobs reports showed the economy added 162,000 jobs, not as many as the optimistic forecasts, but the market still seems to be relieved that the worst of the unemployment may be behind us.
- **Treasury Yields Drifting Up:** The 10-year treasury yield broke through the 4.00% level today for the first time since October 2008. The bond market, like the stock market, is forward looking and it seems to be saying higher interest rates lie ahead. The Fed futures contracts are pricing in an 84% probability of a Fed interest rate hike at the November FOMC meeting.
- **IMF raises World Growth Forecast:** The International Monetary Fund (IMF) has raised its growth forecast for the world economy to 4.1% this year, up 0.2% from its previous forecast. The IMF expects the U.S. economy to grow 3.0% for the year.
- **The ISM Service Sector Index** rose to 55.4, its highest level since 2006, since May 2006, indicating the U.S. recovery is spreading beyond manufacturing and starting to create jobs in the larger service sector.
- **U.S.- China relations:** U.S. Treasury delayed a scheduled April 15 report to Congress on exchange-rate policies, sidestepping a decision on whether to accuse China of manipulating the value of its yuan.
- **Apple Scores Again:** Apple launched its iPad over the weekend, reportedly selling 300,000 units the first day. Several Wall Street analysts raised their price targets on Apple’s stock to \$300/share (currently \$238/share).
- **Pending Home Sales:** Pending homes sales rose 8.2% in February, offsetting a seasonal decline in January. Economists expect another surge in sales before the expanded homebuyer credit expires in April.

Index/Portfolio Returns	% Change Week	% Change QTD	% Change YTD
Barclays Aggregate Bond	-0.03%	-0.14%	+1.64%
Barclays High Yield	+0.19%	+0.07%	+4.69%
Dow Jones Industrial	+0.74%	+0.65%	+5.50%
S&P 500 Index	+1.02%	+0.75%	+6.20%
Russell 3000	+1.06%	+0.77%	+6.76%
MSCI EAFE Index	+2.14%	+1.18%	+2.06%
MSCI EAFE Small Cap	+2.21%	+1.12%	+5.94%
NASDAQ Composite	+0.32%	+0.19%	+5.86%
Russell 2000	+0.79%	+0.79%	+9.71%