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

May 3, 2010

Review - Week Ending 04/30/2010

Stocks retreated last week on Greece debt concerns, investigations at Goldman Sachs, and fallout from the BP oil spill in the Gulf. The Fed remained on hold on interest rates last week. Earnings reports have remained solid and economic data is generally improving however, and this week brings another full calendar of earnings reports and economic releases.

Commentary/Highlights

- **Automotive Industry** is on the rebound. All big three U.S. auto makers had sales increases for the month of April, Ford up 25%, Chrysler up 25%, and GM up 6%.

- **Euro Debt Crisis:** European sovereign debt concerns were at the heart of last week's selling, with Standard and Poor's downgrading the debt of Portugal, Spain, and Greece (PSG of the PIGS). It was announced over the weekend that Greece will receive a $146 billion, 3-year rescue package from the Euro nations.

- **FOMC Meeting** resulted in no change in interest rates or change in the extended period language. The Fed statement did note that "economic activity has continued to strengthen and that the labor market is beginning to improve."

- **Emerging Markets Update:** China raised its reserve requirement for banks over the weekend to keep its lending growth from overheating. Brazil's debt is poised for an upgrade from its BBB- credit rating, as investors remain impressed with economic stimulus measures in the Latin American nation. Brazil raised its interest rate 75bp last week in effort to keep inflation in check in its fast growing economy.

- **Battered Stocks:** Goldman Sachs dropped again last week with news that federal prosecutors have an inquiry regarding criminal fraud charges at the firm, in addition to the existing SEC civil lawsuit. BP, the global oil firm, continues to struggle with its Gulf oil spill, and recent liability costs have been as high as $8 billion. Both blue chip stocks have fallen 20% from recent highs.

- **Merger and Acquisitions:** United Airlines and Continental Airlines announced a $3.2 billion merger, continuing the trend of consolidation in the airline industry. Hewlett Packard announced a $1.2 billion buyout of Palm, as HP seeks to enter the crowded smart phone market.

Index/Portfolio Returns	% Change Week	% Change QTD	% Change YTD
Barclays Aggregate Bond	+0.65%	+1.04%	+2.84%
Barclays High Yield	+0.27%	+2.34%	+7.07%
Dow Jones Industrial	-1.70%	+1.60%	+6.50%
S&P 500 Index	-2.50%	+1.61%	+7.11%
Russell 3000	-2.59%	+2.16%	+8.23%
MSCI EAFE Index	-1.79%	-1.81%	-0.96%
MSCI EAFE Small Cap	-1.44%	+1.70%	+6.55%
NASDAQ Composite	-2.73%	+2.64%	+8.46%
Russell 2000	-3.39%	+5.66%	+15.01%