

Here Come the Bulls

By: Shane A. Burke, MBA, CIO

Yes, we have seen some doom-and-gloom recently in the market. However, the bulls are starting to show their faces. It started over the weekend when the results for Black Friday were revealed. According to a survey by the National Retail Federation released Sunday, total spending over the four-day weekend, which now includes Thanksgiving, reached a record \$52.4 billion, up 16% from \$45 billion last year. More shoppers showed up as well, as a record 226 million consumers visited stores and shopped online between Thursday and Sunday, up from 212 million last year. But the shopping wasn't done. Based on U.S. data released on Tuesday, Cyber Monday sales totaled \$1.251 billion, up 22% from the year-ago period. While the results for the holiday season remain to be seen, investors, retailers and shoppers are all feeling good about the boost in sales.

And the good news continues! Investors around the world cheered yesterday after the Fed said that it will act with other central banks to boost liquidity and support the global economy. Major central banks took coordinated action Wednesday to ease the strains on the world's financial system, saying they would make it easier for banks to get dollars if they need them, with the U.S. Federal Reserve, European Central Bank, Bank of England and the central banks of Canada, Japan and Switzerland all taking part. "The purpose of these actions is to ease strains in financial markets and thereby mitigate the effects of such strains on the supply of credit to households and businesses and so help foster economic activity," the central banks said in a joint statement. This news came just hours after China announced that it will cut its banks' reserve requirements, also to help ease liquidity and prop up the global economy.

So far, all of the good news has instilled some confidence in the markets. The Dow Jones has been up every day this week, with yesterday's gain in the Dow of 490 points being the largest one day gain since March of 2009. Furthermore, the good news has even been enough to overshadow the ratings cuts Standard & Poor's made to some of the biggest banks in the U.S., including Bank of America, Goldman Sachs and Citigroup. Moody's also warned that 87 banks across 15 of the 17 euro zone countries could face downgrades. But even that can't stop the bulls this week!

TPI is very pleased to see the progress being made by our global leaders. We are also delighted that sentiment in the market is picking up. As always, we will continue to monitor the global economic/financial markets closely. Please feel free to contact us if you have any questions or concerns.