



The Mark and Jason Group

Weekly Market Update

Week of December 13, 2010

THE MARKETS:

Many economic indicators have shown gradual improvement in recent months, and this seems to be reflected by a growing sense of optimism on Wall Street.

Despite an unusually flat stretch for the markets, stocks gained on Friday and the S&P 500 closed at its highest level since September 2008.¹ Gains came after newly released government data showed a narrowing U.S. trade deficit, thus boosting hopefulness about further economic growth early in 2011. A separate report on consumer sentiment also came in better than expected, helping the Dow lock in a gain of 0.4%, the S&P 500 add 1.3%, and the Nasdaq rise 1.5% for the week.²

If things continue as they are, the Dow and S&P 500 are on track to finish 2010 with 10% gains each, while the Nasdaq is up 16% year to date. Alec Young, equity strategist at Standard & Poor's, was quoted by CNN Money on Sunday and said, "The market has been doing pretty well. The recovery continues nice and steady in the U.S. and the market looks like it could go higher if that stays intact."³ And regarding the economy, John Canally, chief economist at LPL Financial was quoted by MarketWatch as saying, "Long term, the economy has turned the corner."⁴ Hopefully these gentlemen are right, but of course, this paragraph did start with the word "if". And when it comes to the stock market, few things are certain.

With the holiday shopping season well under way, much attention will be focused on retail sales figures due this Tuesday. Many analysts predict they will confirm a strong start to the post-Thanksgiving shopping season, and since consumer spending represents the single biggest component of U.S. economic growth, positive sales figures bode well for the overall health of the economy.

Also this week, eyes will be turned to Washington for signs a compromise has been reached regarding extending Bush-era tax cuts. The final outcome of the tax debate has been a major source of uncertainty for the markets, and putting the issue to bed is likely to have a stabilizing effect.

Each week, it may seem this commentary introduces new factors that affect the stock market, the economy, and our perception of how well things are going in the world. But regardless of what we report to you, rest assured that our goal is always the same – to

educate you and to remain ever alert to the various challenges and opportunities that exist in the framework of working toward your goals. We hope you have a great week!

ECONOMIC CALENDAR:⁵

Tuesday – Producer Price Index, Retail Sales, Business Inventories, FOMC Meeting Announcement

Wednesday – Consumer Price Index, Empire State Manufacturing Survey, Industrial Production

Thursday – Housing Starts, Jobless Claims, Philadelphia Fed Survey

Friday – Leading Indicators

Data as of 12/10/2010	1-Week	Y-T-D	1-Year	5-Year	10-Year
Standard & Poor's 500	1.28	11.2	12.5	-0.30	-0.95
Dow	0.25	9.42	9.65	1.17	0.65
NASDAQ	1.78	16.2	20.4	3.37	-0.96
MSCI EAFE	0.38	2.68	3.81	-0.31	0.92
10-year Treasury Note (Yield Only)	3.02	N/A	3.48	4.54	5.34

Notes: All index returns exclude reinvested dividends, and the 5-year and 10-year returns are annualized.

Sources: Yahoo! Finance, MSCI Barra. Past performance is no guarantee of future results.

Indices are unmanaged and cannot be invested into directly. NA means not available.

HEADLINES:

Higher food prices continue to be the main driver of inflation in China, raising the likelihood of an imminent interest rate hike as the country tries to reel in its red-hot economy.⁶

American homes are expected to be worth \$1.7 trillion less in 2010 than they were worth last year, according to a report released Thursday by real estate website Zillow. This year's drop in home values is 63% bigger than the \$1 trillion dip in 2009, and brings the total value lost since the housing market's peak in 2006 to a whopping \$9 trillion.⁷

Sadly, Mark Madoff, the oldest son of convicted swindler Bernard Madoff, committed suicide on Saturday, two years to the day after his father's arrest.⁸

A powerful, gusty storm dumped mounds of snow across the upper Midwest on Sunday, closing major highways in several states, canceling more than 1,600 flights in Chicago and collapsing the roof of the Minnesota Vikings' stadium.⁹

Credit card offers are surging again after a three-year slowdown, as banks seek to revive a business that brought them huge profits before the financial crisis wrecked the

credit scores of so many Americans. HSBC mailed more than 16 million card offers to this group in the third quarter of this year, Citigroup 14 million and Discover 10 million, all roughly tenfold increases over the same period last year, according to Synovate Mail Monitor, a market research firm. Capital One's rate rose fiftyfold, to 22 million.¹⁰

QUOTE OF THE WEEK:

"The best use of life is to spend it for something that outlasts life." – William James

RECIPE OF THE WEEK:

Perfect Cranberry Spread



Prep time for this delicious recipe is only 10 minutes.

Ingredients:

- 1 package (8 oz.) cream cheese, softened*
- 2 tablespoons frozen orange juice concentrate, thawed
- 1 tablespoon sugar
- 2 teaspoons grated orange peel
- 1/8 teaspoon cinnamon
- 1/4 cup finely chopped dried cranberries
- 1/4 cup finely chopped pecans
- Keebler® Town House® Original Crackers

Directions:

1. In a small mixing bowl, beat cream cheese, orange juice concentrate, sugar, orange peel and cinnamon on medium speed of electric mixer until fluffy.
2. Stir in cranberries and pecans. Refrigerate at least 1 hour. Garnish as desired. Serve with crackers.

*Soften cream cheese in microwave at high for 15 to 20 seconds.

GOLF TIP OF THE WEEK:

Golf Ball Temperature Can Affect Your Shots

In order to get maximum distance from a golf ball, you must compress it fully. It is generally accepted that a fully compressed golf ball is one that is half flattened at impact. To get full distance with any golf ball, the golfer must supply enough force to half flatten the ball they are using.

In the cold, golf balls don't compress as easily, and thus won't travel as far as they would in warmer weather. An easy way to avoid losing distance is to keep a ball in your pocket and alternate playing holes with that one and another ball in play. This way, your ball stays warm until it's time to hit it on the next hole, enabling you to get more distance. This is especially important when the temperature drops below 50 degrees.

Share the Wealth of Knowledge!

Please share this market update with family, friends, or colleagues. If you would like us to add them to our list, simply click on the "Forward email" link below. We love being introduced!.

Mark E. Riordan, Senior Vice President/Investments

Jason T. Becker, Senior Vice President/Investments

www.markandjason.com

2342 Technology Drive, Suite 300, O'Fallon, Missouri 63368
Stifel, Nicolaus & Company, Incorporated Member SIPC and NYSE

Investing involves risk including the potential loss of principal. No investment strategy can guarantee a profit or protect against loss in periods of declining values.

The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general.

The Dow Jones Industrial Average is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the Nasdaq. The DJIA was invented by Charles Dow back in 1896.

The MSCI EAFE Index was created by Morgan Stanley Capital International (MSCI) that serves as a benchmark of the performance in major international equity markets as represented by 21 major MSCI indexes from Europe, Australia and Southeast Asia.

The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.

Google Finance is the source for any reference to the performance of an index between two specific periods.

Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance.

Past performance does not guarantee future results.

You cannot invest directly in an index.

Consult your financial professional before making any investment decision.

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¹ <http://www.marketwatch.com/story/us-stocks-rise-as-trade-deficit-narrows-2010-12-10>

² http://money.cnn.com/2010/12/10/markets/markets_newyork/index.htm?iid=EL

³ http://money.cnn.com/2010/12/12/markets/lookahead_sunday/index.htm

⁴ <http://www.marketwatch.com/story/us-economy-still-in-slow-but-steady-mode-2010-12-12>

⁵ <http://www.econoday.com/>

⁶ http://money.cnn.com/2010/12/10/news/international/china_cpi_inflation/index.htm

⁷ http://money.cnn.com/2010/12/09/real_estate/home_value/index.htm

⁸ <http://www.bloomberg.com/news/2010-12-11/bernard-madoff-s-son-takes-own-life-on-anniversary-of-his-father-s-arrest.html>

⁹

http://www.google.com/hostednews/ap/article/ALeqM5j_WKeazwUZOymPd2wc56eUrFIAIg?docId=eb3eaf367e3547f49b7ff59f8889c4cc

¹⁰ <http://www.nytimes.com/2010/12/13/business/13credit.html?src=busin>