



November 21st, 2011

Weekly Wrap: The worst week for stocks in two months ended with traders mostly sitting it out on Friday as they waited for politicians in Europe and the United States to tackle festering debt problems. For the week, the Dow fell 2.9%, the S&P dropped 3.8 %, and the FTSE dropped almost 3.3% whilst the MSCI world index fell over 4%.

Friday's directionless market showed more exhaustion than relief as Europe remained investors' primary worry. Stocks found support after Italian and Spanish bond yields fell thanks to buying by the European Central Bank. The S&P failed to rise above 1,225 after a drop below it on Thursday triggered massive selling.

Consistent with trade earlier this week, stocks lacked a legitimate form of leadership towards the end of the week. That said, financials managed to put together their best performance of the week by advancing 0.5% as a group. They still shed more than 5% for the week, though.

Tech stocks, which make up the largest sector by market weight, lagged once again on Friday. With a 0.7% slide the sector logged its third straight loss. Tech stocks collectively fell about 4% last week.

In the United States, doubts grew whether a bipartisan committee could come up with budget cuts and tax increases that Congress can agree on next week.

A major question has been whether the European Central Bank will find a way to act as a lender of last resort in the manner of the U.S. Federal Reserve. Speculation has grown the ECB could lend money to the International Monetary Fund to bail out some euro zone members.

Little conviction characterized this week's market action as traders worried changes in governments in Greece and Italy failed to bring bond yields much lower. Spain's new leader, center-rightist Mariano Rajoy, pleaded with financial markets for breathing room to start tackling the country's economic crisis after he won power in a parliamentary election during the weekend.

Index	Yesterday	Today	Daily	Weekly	YTD
DJI (US Index)	11770.73	11796.16	0.22%	-2.94%	1.89%
S&P 500 (US Index)	1216.13	1215.65	-0.04%	-3.81%	-3.34%
FTSE 100 (UK)	5423.10	5362.90	-1.11%	-3.29%	-9.10%
DAX (German)	5850.17	5800.24	-0.85%	-4.24%	-16.11%
CAC (French)	3010.29	2997.01	-0.44%	-4.84%	-21.23%
Nikkei (Japan)	8479.63	8374.91	-1.23%	-1.64%	-18.13%
HangSeng (Hong Kong)	18817.47	18491.23	-1.73%	-3.38%	-19.73%
S&P/ASX 200 (Australia)	4258.20	4177.00	-1.91%	-1.66%	-11.97%
MSCIW (World Index)	1162.67	1157.50	-0.44%	-4.08%	-9.58%
Baltic Dry Index	1898.00	1895.00	-0.16%	3.27%	6.88%
Volatility Index(vix)	34.51	32.00	-7.27%	6.52%	80.28%
Euro Stoxx 50	2242.78	2236.68	-0.27%	-3.79%	-19.91%

Commodity Prices USD	Yesterday	Today	Daily	Movement	YTD
Oil	100.41	98.56	-1.84%	-0.67%	7.77%
Gold	1725	1715.1	-0.57%	-4.13%	21.69%
Silver	32.422	31.96	-1.42%	-7.71%	3.40%
Palladium	615	600	-2.44%	-8.54%	-25.31%
Gas	3.443	3.32	-3.57%	-6.74%	-24.72%
Copper	3.398	3.36	-1.12%	-3.72%	-24.32%
Corn	607.8	609	0.20%	-4.72%	-3.10%
Cotton	94.8034	94.81	0.01%	-4.46%	-34.53%

Exchange Rates	Yesterday	Today	Daily	Movement	YTD
GBP/USD	1.5756	1.58065	0.32%	-1.61%	1.25%
EUR/USD	1.34291	1.34651	0.27%	-2.18%	0.56%
EUR/GBP	0.8546	0.85566	0.12%	-0.14%	-0.24%
USD/YEN	76.99028	76.905	-0.11%	-0.37%	-5.20%
USD/AUD	1.0007	0.999	-0.17%	2.91%	2.21%
GBP/MYR	4.9987	5.00126	0.05%	-0.61%	3.86%

10 Year Bond Yields	Yesterday	Today	Daily	Movement	YTD
US	1.96	1.98	1.23%	-7.04%	-40.09%
UK	2.23	2.25	1.08%	-1.75%	-33.82%
German Bund	1.90	1.97	3.90%	4.23%	-32.53%
Japan	0.96	0.96	-0.21%	-2.04%	-16.52%
Australia	4.06	4.00	-1.48%	-4.53%	-27.67%
Brazil	11.20	11.14	-0.51%	-1.07%	-8.16%

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While investors try to come to grips with how much of an impact the European crisis may have on the U.S. economy, data for the United States showed continued improvement. A gauge of future U.S. economic activity rose more than expected in October, according to the Conference Board.

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