

Mark E. Rodgers, Taxable Fixed Income
800.880.5316

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The FOMC statement last week left policy unchanged: the target rate remained 0% to 0.25%, the amounts for securities purchases remained unchanged, and the Fed plans to keep the target rate low for an extended period of time. Some hoped the Fed would map out an exit strategy from easing, and some hoped for a more aggressive purchase program, but neither option happened and the risk that the Fed would start to tighten by year end dissipated. We also had the World Bank cut its 2009 global growth forecast to -2.9% from -1.7%, and had the State of California warn that it might start paying with IOUs as of July 1st if it can't deal with its \$24B deficit. If that occurs, the negative ramifications could spread quickly to other markets.

This holiday-shortened week, the economic news is crammed into three days. The big news comes Thursday, with employment/unemployment numbers. Expectations are for unemployment to grow to 9.6%, with talk that it could be double digits by summer's end, and for employment to remain close to last month's number. However, with jobless claims continuing to remain above -600k, a larger negative number wouldn't surprise me. Have a safe 4th of July!!

			Expected		Previous
6/29	Monday				
6/30	Tuesday	Chicago Purchasing Mgr. (Jun)	39.0	vs	34.9
		Consumer Confidence (Jun)	55.3	vs	54.9
7/1	Wednesday	ADP Employment Change (Jun)	-394k	vs	-532k
		ISM Manufacturing (Jun)	44.5	vs	42.8
		ISM Prices Paid (Jun)	47.0	vs	43.5
		Construction Spending (May)	-0.6%	vs	+0.8%
		Pending Home Sales (May)	+0.5%	vs	+6.7%
6/25	Thursday	Nonfarm Payrolls (Jun)	-355k	vs	-345k
		Unemployment Rate (Jun)	+9.6%	vs	+9.4%
		Avg. Hourly Earnings (Jun)	+0.1%	vs	+0.1%
		Avg. Weekly Hours (Jun)	33.1	vs	33.1
		Factory Orders (May)	+0.8%	vs	+0.7%
		Jobless Claims (Jun 27)	615k	vs	627k
7/3	Friday	Market Closed July 4th Holiday			

Treasury Curve

	Maturity	Yield 6/26/09	Monday 6/22/09
	1-Year	0.49	0.47
	2-Year	1.09	1.17
	5-Year	2.51	2.74
	10-Year	3.48	3.72
	30-Year	4.30	4.46

	6/26/09	+/-	7:00 A.M.	+/-
Dow	8438.39	-34.01	8440.47	+2.08
MSFT	23.35		23.89	+0.54
BA	41.88		42.28	+0.40

1420 Fifth Avenue, Suite 4300, Seattle, Washington 98101, (206) 628-5452

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