

NEWSLETTER

March 2010



Greece was of course the most talked about topic in March. But to some the problem was not with Greece alone. Of course the years of unrestrained spending, cheap lending and failure to implement proper financial reforms were at the forefront of responsibility. However, what made this bad situation even worse, both for Greece and Europe, was the way that the concerned parties handled the crisis.

Even the political posturing for the sake of popularity, displayed by numerous high level officials from both sides which ranged from the ruthless to the downright ridiculous, took a back seat role as it became clear that there was no decision that could be made. The announcements that came were vague, imprecise and without clarification. The possible involvement of the IMF and even the stability of the E.U. were called in to question which took its toll on the markets with the Euro taking the brunt.

Despite all the negative news about Greece both the S&P and DOW were up 5.88% and 5.15% for the month respectively. March also saw the so called tortoise rally celebrate its first birthday. While the markets and investors showed brief periods of weakness and hesitation during this time, there was no real substantial correction. Even the January dip which was the most notable of the downward moves of the past year did not reach the traditionally accepted correction levels.

The credit markets continued their upward move with emerging markets as the center of attention with a rise in both the number of new issues and oversubscription to these investments. In some particular cases the credit may have been overbought as investors rushed in not to miss an opportunity.

Looking towards the future we are as always cautious of a possible correction. With earning season only weeks away there is no doubt that the general sentiment is positive and many companies are expected to beat their estimates. Coupled with improving economic data markets look to carry on their current upward direction.