

April 2009

A Month Does Not a Quarter Make!

Good news at last! March was a positive month for both stock market averages and a reduction in overall interest rates. It was uplifting to see some positive signs that the economy and people's spirits were finally improving. As I noted in my most recent blog (see www.secureplanninginc.com), this appears to be a trader's market. In March we witnessed periods when demand for stocks rose significantly, followed by periods when the demand dried up. In all of this, sellers remained very active.

That March was positive makes all of us happy. Unfortunately, the one positive month has not wiped out the overall negative first quarter of this year. We began January with the S&P 500* average at 902.99 and ended March with the average at 797.87. In comparison, January saw the S&P 500 average close at 825.88 (above the March close) and February end at 735.09 (below the March close). Lest we become too negative about the results of the quarter, the trend was mostly downward from the beginning of the year until March 10th, when for the most part the trend moved upward. The question is: are we in the midst of a rally in a bear market or have we started a new bull market?

The abundance of sellers when the market rises suggests that we are still in a bear market.

During this quarter much has happened with unemployment increasing, companies faltering, the government giving bailouts, credit markets freezing up, and two major automakers on the precipice of bankruptcy, etc. That all of this has transpired in less than three months is hard to believe. Our new President hasn't even been in office for three months. As I have stated a number of times during the past 18 months, we must be patient. This will not end quickly.

✍

On a different note, Secure Planning is doing more to improve communication with you. We instituted the blog about a year ago. We are now gathering e-mail addresses of clients so that we can communicate faster when significant issues arise. We would appreciate it if you would send us your e-mail address.**

We are also beginning a series of conference calls for you. The first call will be on April 22nd at 3PM EST or 1PM MST. I will be talking about **Managing Investments in a Turbulent Economy**. If you would like to be part of this call, please contact Caroline Rose at caroliner@secureplanninginc.com or (603) 433-5515 to reserve space and receive call-in information.

Ed Mallon

*The S&P 500 Index is an index of 500 leading companies in leading industries of the U.S. Economy.

**Please go to our website: www.secureplanninginc.com, click on "Contact Us" and click on "Email" under the Portsmouth, NH office. Or email Caroline directly at caroliner@secureplanninginc.com.

Read more of Ed's thoughts on his blog at <http://secureplanninginc.blogspot.com>

42 Middle Street
Portsmouth, NH 03801
Tel 603-433-5515
Fax 603-433-6023

www.secureplanninginc.com