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FINANCIAL FOCUS



LGT Financial Advisors LLC
A Registered Investment Advisor

Trust, Confidence, Experience

* A Registered Investment Advisor

By the Numbers

June 2010

1. **Up From A Year Ago** - The actual profits of the companies in the S&P 500 during the 2nd quarter 2010 (i.e., the 3 months of April-May-June) are projected to be +14% higher than they were during the 2nd quarter 2009. (source: S&P)
2. **The Money Companies** - The 79 stocks in the S&P 500 that are “financial” companies have tripled in value (i.e., increasing +206% from \$523 billion to \$1.598 trillion) from the close of trading on Monday 3/9/2009 (i.e., just over 15 months ago) to the end of Friday 6/11/2010. Over the same 15 month period since the bear market bottomed on 3/9/2009, the S&P 500 stock index has increased only +61%. Both return calculations do not include the impact of reinvested dividends. (source: S&P)
3. **Less Than Half** - The yeild on the 10-year Treasury note closed Friday 6/11/10 at 3.23%. 20 years ago (6/14/10, the yield was 8.38%. (source: Treasury Department)
4. **Big Bucks** - The wealthiest 1% of Americans own 35% of the total net worth in the nation. (source: Edward N. Wolff, New York University)
5. **Up Or Down** - Since 1950, economic expansions have lasted 6 times as long as economic contractions. Economic expansions are defined as “trough to peak” periods and economic contractions are defined as “peak to trough” periods. The average expansion has lasted 62 months while the average contraction has lasted 10 months. (source: National Bureau of Economic Research)

6. **Reset ARM** - The dollar value of ARMs (adjustable rate mortgages) that are expected to be reset from their initial interest rate level will peak in August 2011 and is estimated to be \$40 billion for that month. The amount will reach a 2010 peak of \$31 billion in August 2010. The previous peak in monthly ARM resets occurred in July-August-September 2008 when \$35 billion was reset each month. (source: Credit Suisse)
7. **Spending Too Much** - US banks are expected to earn \$35.2 billion in overdraft fees in the 2010 calendar year, an average of \$96.4 million per day. Overdraft fees are separate from credit card penalties which totaled approximately \$20 billion last year. (source: Moebs Services)
8. **Be Careful** - Revolving credit, which includes credit card debt, fell in April 2010, its 19th consecutive monthly decline. This total peaked in September 2008 and has fallen every month since then. (source: Federal Reserve)
9. **One Hundred Fold Increase** - The FDIC deposit insurance amount has increased from \$2,500 in 1934 to \$250,000 today. The total is per depositor, per insured bank. (source: Federal Deposit Insurance Corporation)
10. **Goldfinger** - The price of gold closed at \$1,244 a troy ounce on Tuesday 6/8/2010, an all-time nominal record close. The price of gold was \$850 an ounce on 1/21/1980, 30 1/2 years ago, equal to \$2,400 an ounce on an inflation adjusted basis. (source: CME Group)
11. **Where We Live** - More than twice as many Americans (48% of our nation's 309 million population) live in the Eastern Time Zone as compared to the population of Americans (23% of the nation) that live in the Pacific and Mountain Time Zones combined. (source: Census Bureau)
12. **Futbol And Football** - ESPN and ABC are estimating that an average of 400 million soccer fans will watch each of the 64 games that it will televise during the 2010 World Cup, a total of 26 billion viewers over the month long tournament. by comparison, 106.5 million people watched the Super Bowl in February 2010, an all-time record for NFL football. (source: ESPN, Nielsen)
13. **What They Collect** - The government projects that total tax receipts for fiscal year 2010 (i.e., the 12 months ending 9/30/2010) will be \$2.165 trillion or 15% of the 14.6 trillion US economy. (source: Treasury Department)
14. **From Volcker to Bernanke** - The target range for the short-term fed funds rate is between 0% and 0.25% today. The range was between 19% and 20% in January 1981. (source: Federal Reserve)
15. **Never Get Tired** - If you played a different 18-hole golf course every day (and two on Saturday), it would take you more than 38 years to play all 15,979 courses in the USA today. (source: PGA)