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### 12/31/12 Year End Economic Update

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Despite a lackluster December, the US stock market made some very good progress overall in 2012.

2012 began with the end of the Occupy movement and the birth of "the 1%" moniker. We begin 2013 by raising taxes on the top 2%.

=> The Fiscal Cliff : This was an arbitrary deadline designed by and for politicians to force big decisions to be made towards balancing the budget. The goal was to raise \$1.6 Billion over the next 10 years; the final decision doesn't even get us halfway there.

- By raising the taxes only on those making over \$400k single (or \$450K married) households, and maintaining the other Bush tax cuts indefinitely, we failed to raise enough money.

- By making no cuts to the big entitlements (i.e. Social Security, Medicare and public pensions), we have failed to save any money.

- Congratulations once again to all of our politicians for being late, avoiding the hard decisions and continuing to kick the can down the road. We should be hitting a debt ceiling again on March 27th. Can't wait to see how that goes...

=> All is not gloom and doom.

- Unemployment rates in November crept down a bit to 7.9%, the lowest in almost four years.

- Companies have started giving raises again. While still lower than 4-5% of the good old days, they're moving back towards the 3% range on average.

- Europe still has a debt crisis to contend with, but much like our stock market the Stoxx Europe 600 index had a pretty darn good year.

- China's "slow" growth at 7-8% continues to hold up.

- And of course, the world didn't end.

Happy New Year!

- Anita

	Current Month	Current Month	1 Month	Prior Year	1 year	52 Week	
	Dec-2012	Nov-2012	% Change	Dec-2011	% Change	High	Low
<i>Index</i>							
<b>Dow</b>	13,104.14	13,025.58	1%	12,217.56	7%	13,703.53	12,003.75
<b>S&amp;P 500</b>	1,426.19	1,416.18	1%	1,257.60	13%	1,474.51	1,258.86
<b>NASDAQ</b>	3,019.51	3,010.24	0%	2,605.15	16%	3,196.93	2,627.23
<i>Commodity Prices</i>							
<b>gold</b>	1,676.50	1,727.30	-3%	1,569.20	7%	1,801.40	15,448.00
<b>silver</b>	30.13	34.10	-12%	28.09	7%	36.95	26.48
<b>oil</b>	92.29	88.94	4%	99.06	-7%	109.50	80.06
<i>Yield</i>							
<b>2 Year Treasury</b>	0.24%	0.24%	0%	0.24%	0%	0.40%	0.21%
<b>10 Year Treasury</b>	1.75%	1.62%	8%	1.87%	-6%	2.37%	1.40%
<b>30 Year Treasury</b>	2.95%	2.81%	5%	2.89%	2%	3.47%	2.46%
<i>Currencies</i>							
<b>USD/Euro</b>	1.32	1.33	-1%	1.30	2%	1.38	1.20
<b>Yen/USD</b>	86.73	82.16	6%	76.94	13%	83.79	76.13
<i>Interest Rates</i>							
<b>Prime</b>	3.25%	3.25%	0%	3.25%	0%	3.25%	3.25%
<b>30 Yr Mortgage</b>	3.54%	3.61%	-2%	4.10%	-14%	4.26%	3.54%

\*I am not a tax advisor, so please be sure to consult your CPA regarding your tax issues.

Data source: [www.WSJ.com](http://www.WSJ.com)

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