

Weekly Report: Friday, June 26th, 2009

The Week in Review

Index	6/26/2009	Last Week	MTD	QTD	YTD
Dow Jones Indust. Average (DJIA)	8,438.39	-1.16%	-0.53%	11.83%	-2.13%
10-Year US Treasury	3.536%	-24 bp	8 bp	87 bp	132 bp
30-Year Nationwide Mortgage Rate	5.42%	4 bp	51 bp	57 bp	30 bp
West Texas Intermediate Crude	\$69.160	-0.56%	4.30%	39.27%	55.07%
Dollar / Euro	1.4056	-0.85%	0.72%	-6.08%	-0.61%

WEEK IN BUSINESS

- Citibank has announced they are changing their compensation system, raising salaries by up to 50% and lowering bonuses to retain top talent at the firm. The move comes as President Obama announced Kenneth Feinberg as pay czar, who carries authority to approve executive compensation for those firms accepting Government funds.
- Following the repayment of \$10b in TARP funds this week, Goldman Sachs notified select employees that the firm is on pace to make record bonus payments this year.
- Harvard University announced they will cut 275 positions due to declines in their Endowment portfolio. The Endowment contributes roughly 1/3rd of the total operating budget for the University, and is down from \$37b June 2008 to an estimated \$25b at June 2009.
- AIG will look to spin off both American International Assurance Co Ltd and American Life Insurance Company, issuing \$26b of preferred shares to the US Government. The firm will use the preferred shares as payment on a portion of the \$40b in loans outstanding through the credit facility provided by the Federal Reserve Bank of New York.
- Carl Henric-Svanberg was announced as the new Chairman of BP Plc. Henric-Svanberg will leave his current post as CEO of Ericsson to take the position.
- Boeing announced another delay in their 787 Dreamliner, sending the company's stock price down 9%. The delay comes after additional testing was determined necessary, following concerns about stress loads where the composite wings join the fuselage.

WORLD REPORT

- Iran continues pressure on protestors in major cities, despite the Iranian Elections Commission admitting voting irregularities in over 50 cities. Over 3 million more votes were submitted in these cities than there were registered voters, but the Shah of Iran said that with a margin of victory of 11m votes the difference was immaterial.
- Two Washington metro commuter trains crashed Monday, killing 9 and injuring several others. The trains had been recommended for replacement or strengthening in 2006, being labeled as outdated and having concerns about "telescoping" in the event of a crash. Officials are still analyzing the site of the wreckage, but one train was at a full stop after receiving a signal that another train occupied the station ahead. The train behind plowed in to the back end of the stopped back train was traveling at full speed when it crashed.
- Shaquille O'Neal was traded from the Phoenix Suns to the Cleveland Cavaliers Thursday, hours before the NBA draft was scheduled to begin.
- South Carolina Governor Mark Sanford, head of the Republican Governors Association, sparked a minor controversy after he went missing for 4 days. Initial reports said that the Governor was hiking along the Appalachian trail and without communications, but after being spotted at the Charlotte airport the Governor admitted that he had taken a spontaneous trip to Argentina.
- Both singer Michael Jackson and actress Farrah Fawcett passed away Thursday.