

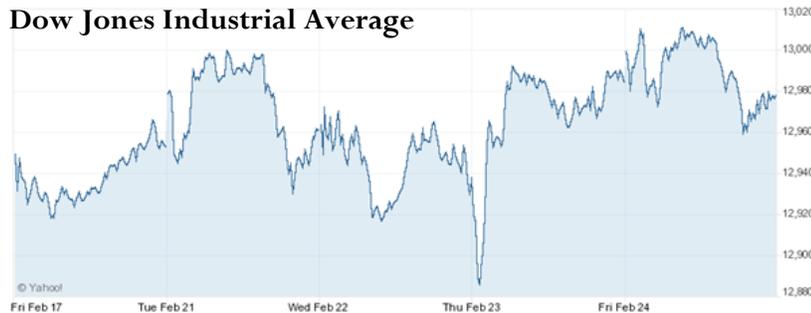
FINANCIAL FRONTLINE NEWSLETTER

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Dow Jones Industrial Average



S&P 500 Index



- Despite producing only modest gains, this week saw major market indexes reaching significant benchmarks with the S&P 500 at its highest in 10 months, after a 0.3% gain this week, and the Dow at its highest in about 4 years.
- Trade early on in the week was sporadic and uneventful as investors continued to be skeptical of the markets' increase after their constant climb in the past recent weeks.
- These gains had very little influence from the recent news of improvement in the Consumer Sentiment Survey in February or European news.

FOREIGN EXCHANGE

- Unfolding optimism about Greece and encouraging Italian bond auctions Friday sent the euro to near three-month highs versus the dollar and near four-month peaks against the yen, as much of the gloom that has recently shrouded the single currency lifted momentarily. After securing an 11th hour bailout package worth EUR130 billion (\$175 billion) earlier this week, Athens launched a bond swap offer to private-sector creditors Friday. The EUR100 billion debt write-down plan is designed to extricate the Hellenic republic from a crushing debt load, helping to bring closure to the uncertainty that battered European bond markets for more than two years.
- Latin American currencies continued their winning streak on Thursday, after a drop in U.S. unemployment cheered markets, but emerging European currencies struggled to stay in positive territory. Emerging market debt held steady, as markets look ahead to a key U.S. jobs report. Investors continue to hunt for higher-yielding assets as they aim to put their cash to work and as rates remain ultra-low in the developed world.

FIXED INCOME

- Big Bond Funds disagree on the future of the \$2.3 trillion market for emerging-market debt, continuing the debate over the European crisis's impact on global growth. Bond giant PIMCO, a unit of Allianz SE, revealed its plans to reduce its exposure to emerging markets, while Franklin Templeton Investments continues to pile on. Whether investors' passion for emerging markets will continue appears to hinge on their feelings toward the euro-zone crisis.
- A new tool is relieving the troubles of executives of multinational corporations, as debt markets open to foreign borrowers. Companies can utilize bonds denominated in the local currencies, rather than future contracts or currency swaps, to reduce the need for currency conversions. A growing number of companies are issuing dim-sum bonds in China, upon recent permission to issue bonds in Chinese yuan.

Market Highlights

Dow Jones Industrial Ave.	12,982.95 ↑33.08
S&P 500	1,365.74 ↑4.51
NYMEX	99.59 ↑1.18
10-YR. TREAS.	2%
FED Funds Rate	0.11
Unemployment Rate	8.30%

