ECONOMIC & MARKET UPDATE: NOVEMBER 29, 2010

"HOLIDAY SHOPPING OFF TO ENCOURAGING START"

Economic Data - Previous Week					
Date	**Series**	**Actual**	**Survey**	**Prior**	
11/23	Q3 GDP - 2nd Est.	2.5%	2.4%	2.0%	Personal consumption, exports boost output
11/23	Existing Home Sales	4.43M	4.48M	4.53M	Sales weak across regions, tight credit stds blamed
11/24	Durable Goods	-3.3%	0.1%	3.5%	Mfg weak across sectors in October report
11/24	Personal Spending	0.4%	0.5%	0.3%	Spending slightly higher as expected
11/24	UMich Sentiment	71.6	69.5	69.3	Consumer outlook improves alongside spending
11/24	New Home Sales	283K	312K	308K	Weaker than expected sales despite falling prices
Economic Data - Upcoming Week					
Date	**Series**	**Actual**	**Consensus**	**Previous**	
11/30	S&P/CS 20 City MoM	--	-0.40%	-0.28%	Analysts look for another downtick in home prices
11/30	Consumer Confidence	--	53.0	50.2	Rising sentiment points to improved confidence
12/1	ISM Mfg	--	56.5	56.9	Weakness in durables likely to weigh on index
12/1	Construction Spending	--	-0.4%	0.5%	Lower sales, starts, likely negative for spending
12/3	Nonfarm Payrolls	--	145K	151K	Slow recovery in labor expected to continue
12/3	Unemployment Rate	--	9.6%	9.6%	Jobs gains unlikely to offset growing labor force
12/3	ISM Non-Mfg	--	54.8	54.3	Retail strength should give slight lift to services idx

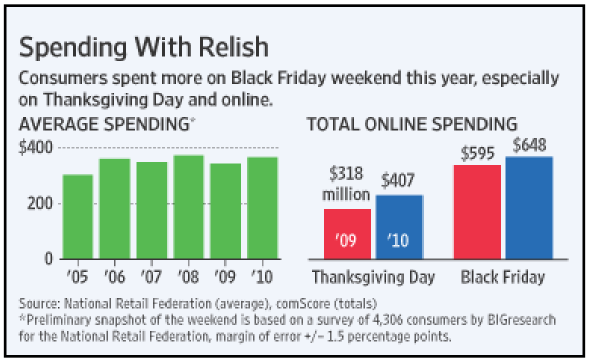
Source: Bloomberg

INVESTORS ASSESS THE BLACK FRIDAY EFFECT

During an expectedly light trading week, equity markets sold off, with the S&P 500 Index falling 0.9% and the Dow Jones Industrial Average off 1.0%.

There were only a handful of economic releases to dissect in the US, while the focal points last week were the deteriorating situation in Europe and the return of holiday shoppers on Black Friday.

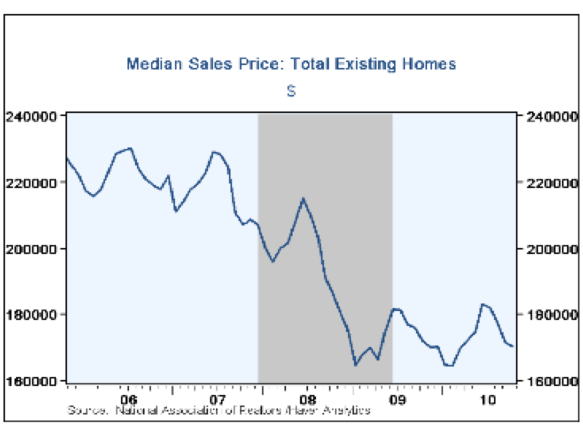
Early indications from the weekend shopping spree suggest that it was an overall success for retailers. The National Retail Federation estimates that 212mln people hit the stores over the weekend, up from 195mln last year. In addition, the average shopper spent $365, below the $375 peak in 2008, but above the $343 spent per shopper in 2009.



Source: Wall Street Journal

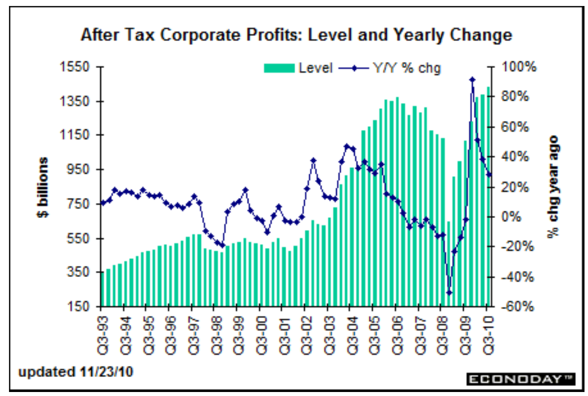
Perhaps even more encouraging was the news that consumers would be less reliant on credit cards for purchases this holiday season. A poll from the Associated Press found that 20% of consumers will use credit cards for holiday spending, but 84% will pay those bills in full by the due date. Dare we suggest that the American public is finally learning the benefits of fiscal prudence?

Existing home sales were a notably weak data point last week. Sales were down 2.2% for the month of October to a seasonally-adjusted annual rate of 4.43mln. Although the drop was not especially severe, the elevated level of supply available and the continued fall in home prices suggest that further pressure on prices may be experienced through the rest of the year and into 2011.



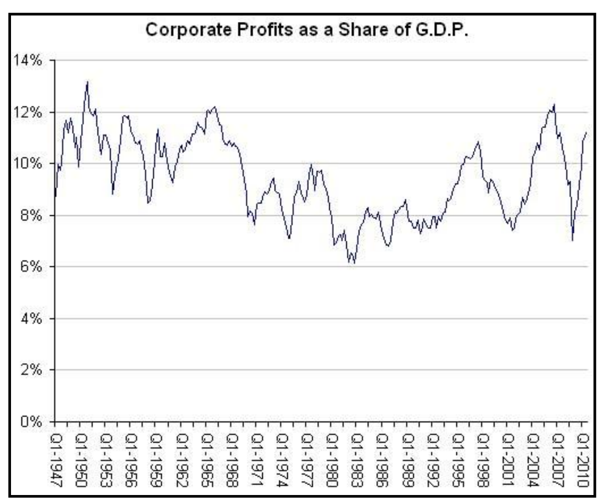
Source: Haver Analytics

Last week marked the third release of third quarter GDP growth. As is typical during the third revision, corporate profitability was also announced. Not surprisingly, corporate profits were up more than 28% from the same point one year ago, but as we are aware, little of that money is benefitting the overall economy. However, that might all be changing.



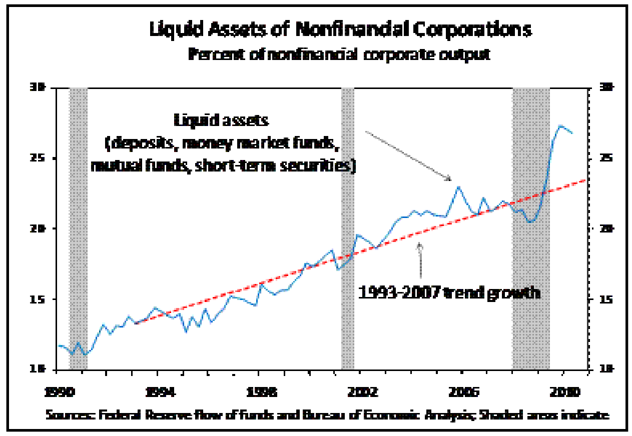
Source: Econoday

Corporate profits reached their highest point on record during the most recent quarter, at an annualized rate of $1.659trln. From a historical perspective, corporate profits as a percent of GDP are still slightly above the long-term averages.



Source: Economix

Over the last several years, companies hoarded cash, at the expense of hiring and expansion. However, in recent quarters, nonfinancial corporations are showing signs of reducing liquid assets and cash in favor of capital expenditures and hopefully, hiring.



Source: FT Alphaville

THE WEEK AHEAD

The specter of data released this week will take a backseat to discussions about the future of Europe and its constituents. With Ireland "saved", the focus will shift to similarly weak periphery countries such as Belgium, Portugal and the oft-maligned Spain.

From the domestic standpoint, economic releases will center on a mixture of manufacturing and employment. The November payroll report, scheduled for release on Friday will be of particular importance as job growth would inevitably translate into higher spending this holiday season.

The Federal Reserve will also release the Beige Book on Wednesday afternoon, providing a snapshot of economic activity in the various districts across the country.

Source: Internet

About WealthTrust-Arizona

WealthTrust-Arizona is a fee-based investment advisory firm that specializes in integrating portfolio management with estate planning for high net worth individuals and families. Services include portfolio management, estate planning, asset and lifestyle preservation, taxation concerns, access to trust and estate documentation preparation, business succession planning and more.

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