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Monthly Market Monitor

April 2009

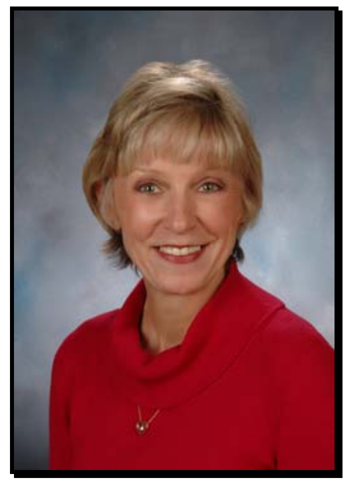
PLAN YOUR FINANCIAL GOALS

Today's changing economic climate requires more diligence than ever in monitoring investment programs. Evaluations of goals and new opportunities can be both challenging and confusing.

I've compiled a few guidelines to help you define your financial goals and re-evaluate your investment decisions.

1. **Define your goals:** Do you want to buy a home? Remodel a home? Are you planning for your children's college education? When do you want to retire, and with what standard of living?
2. **Prioritize these goals:** Categorize your goals by time frame - near-term, intermediate-term and long-term. Determine the importance of each goal.
3. **Determine your risk tolerance level for each goal:** Every investment has risk and reward relationship.
4. **Take a close look at your available resources:** Does your current situation enable you to reach your goals for now? What about your tax situation? Should you reduce taxable income and replace it with tax-free income?

Planning for your future is not an easy task, and it demands regular review. The above steps should be given serious consideration, now and on an annual basis. Your goals may change, or the best strategy to achieve them may change. As a registered representative, I can help you through these steps. I'm committed to help you achieve your financial goals and to help make your future easier. To schedule a time to meet for a free financial review and to discuss your financial future, contact me at (209) 444-3354.



Linda Specht
Investment Advisor Representative*

For more information or to schedule an appointment please call

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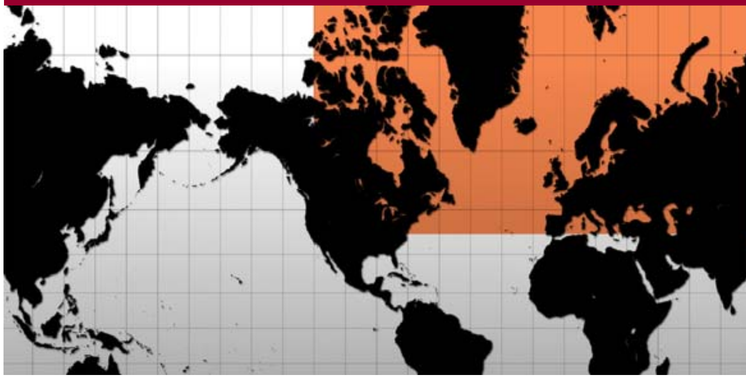
*A Registered Representative of Financial Network Investment Corporation



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Market Indices[1]	March Change	Year-to-Date (3/31/09)
S&P 500	8.5%	-11.7%
MSCI EAFE	5.9%	-14.6%
Dow Jones Industrial Average	7.7%	-13.3%
Russell 2000	8.7%	-15.4%

It's All About Washington

After a dismal beginning to the month, which saw the major equity benchmarks hit a 12 year low on March 9, the equity markets staged a much needed rally. The 20%+ gains in 13 days was the fastest rebound from a bear market low since 1938.[2] Gains of 20% have sometimes been signals that a new bull market was getting started. The speed and breadth of the move added more credibility for some market analysts. Others were less certain, pointing out that bull rallies of 15-20% are common in longer running bear markets and that both the Dow Industrials and Standard & Poor's 500 had runs in that range late last year. Still, the March improvement was the best one month gain in over six years.[3] Most of the market's volatility was again attributed to news and perceptions of news from Washington. Concerns over long-term costs from the new Administration's many programs to fix the economy were weighed against growing confidence that they could finally be useful. Most of the month's gains were attributed to the delivery of a workable plan to get the bad loans off the banks' balance sheets through a government partnership with private investors. This has been a key hurdle for investors seeking needed signs that the financial system could be stabilizing before stepping in to buy stocks. On the other hand, the markets did not like the proposed solution for the auto industry late in the month, feeling as if the government was taking over too much power, and took back some of their gains. The increasing need to use public money to help solve big problems continues to erode the traditional roles of government and business. With Washington asked, or forced to, do more of normally private sector decision-making, the taxpayer becomes another big shareholder to be considered. Many of the normal private-market choices, such as how much to compensate executives or when to seek bankruptcy, can get distorted short-term. Most market participants can accept short-term government interference, but worry about what it may mean for the longer-term free management of companies and the subsequent value of their stock. With many of the effects from the programs of the Administration, Treasury, FDIC and/or Federal Reserve only just beginning to kick in, Washington is expected to continue to be a major market influence, both positive and negative for some time.

Less Bad is Good for the Time Being

Some tangible benefits from the Federal programs may have helped spur the strong March rebound. Along with the applause for a public/private plan for helping banks, some analysts saw early sprouts of economic recovery showing up in the data for housing, manufacturing, consumer sentiment and retail sales. Many of these improvements just amounted to the declines being less negative over previous numbers, but getting a cluster of these signals may be the real hidden positive for the month. Even two of the major banks that had received government money said they were profitable in January and February and some have intimated they are getting close to returning bailout money. However, there have been false economic signals before and two important ones, corporate profits and jobs, are expected to show big negatives in April and remain negative for several months. Rather than expecting the markets to continue climbing like March, most analysts would be happy to see the stock market hold on to most of the recent gains over the next month or so. Many see the market rally as a sigh of relief based on early signs of returning stability, far from an "all clear" signal.

1. Wall Street Journal, 4/1/09
2. Wall Street Journal, 3/27/09
3. MarketWatch, 3/31/09

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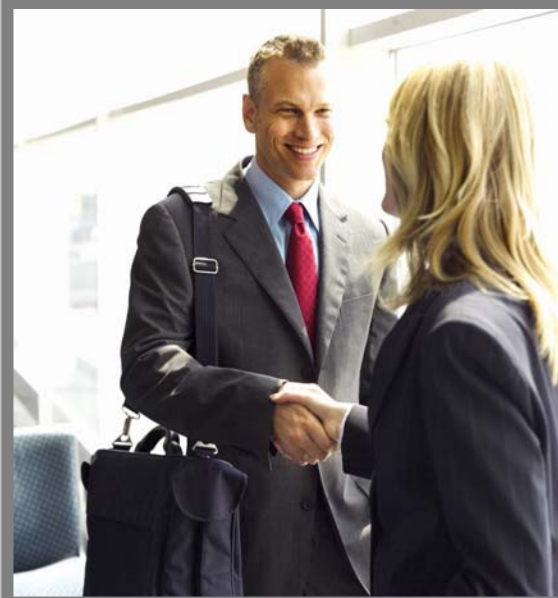
Managing finances can be difficult.

Or it can be as easy as walking through our door.

The first step in preparing for your financial future can be as simple as saying “hello.” That’s because no matter what your financial needs or goals, Linda Specht can help you achieve them.

Call today for a free portfolio review.

(209) 444-3354



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