



### Capital Windows: 2nd Quarter 2009 (as of 04/24/2009)

- The frozen IPO market showed signs of thawing with language-learning software provider Rosetta Stone pricing above its proposed price range, the first IPO to do so in nearly a year.<sup>1</sup>
- Total M&A activity totaled \$3.2 billion in the first quarter of 2009, the lowest levels since 2003. This is down 65% from the \$9.1 billion in the first quarter of last year.<sup>2</sup>
- In the first quarter of 2009 the median funding raised by companies prior to an M&A exit was \$15.5 million — down 33% from last year. The median amount of time to reach liquidity was 4.7 years, almost a third less time than the 6.8-year median in last year's first quarter.<sup>2</sup>
- The U.S. lost 663,000 jobs in March, bringing the total number of jobs lost to 5.1 million since the recession began in December 2007. The unemployment rate is now 8.5%, the highest in 25 years.<sup>3,4</sup>
- In addition to keeping the federal funds rate at 0.00% (its lowest rate since its peak of 5.25% in August 2006) the Federal Reserve began its unprecedented plan of purchasing \$300 billion in long term U.S. treasuries. \$43.9 billion of Treasuries have been purchased since beginning the program on March 25.<sup>3</sup>
- Crude oil futures are up 14.35% this year, last settling at \$51.49 a barrel. While up 58.92% from the four-year low of \$32.40 it reached last December, crude oil prices are still far below last July's all time high of \$147.27.<sup>3,5</sup>
- The LPL Financial Crisis Conditions Index is now inline with its base case for the economy and forecast for modest gains in stocks and bonds this year.<sup>6</sup>
- For the 8 bear markets of the last 50 years, the average gain for the S&P 500 in the year following the low close is +36.5%. Since the low close (thus far) of this bear market 7 weeks ago, the S&P 500 has gained 28.04%.<sup>7</sup>
- As of the end of February 2009, the number of existing homes for sale has declined for 7 consecutive months, down to 3.8 million from 4.6 million at the end of last July.<sup>7</sup>
- Fifty-four banks have been taken over by the FDIC in the current recession. The FDIC has facilitated orderly liquidation of these banks and deposits have been covered up to FDIC limits. In contrast, thousands of banks failed as a result of the Great Depression in the years leading up to the creation of the FDIC in 1933.<sup>8</sup>
- The personal savings rate in the US reached a seven-year high of 3.2% as of the end of 2008. The personal savings rate in China is over 20%.<sup>9</sup>

Key Rates	Current	1-year ago	% Change
Federal Funds <sup>10</sup>	0.00%	2.25%	-2.25%
30-yr fixed mort. <sup>11</sup>	4.90%	6.03%	-1.13%
10-yr T- Notes <sup>5</sup>	2.998%	3.862%	-0.864%

Index	1-yr ending 4/24/09	10 Year Annualized Average
Dow <sup>12</sup>	-37.14%	-2.76%
S&P <sup>12</sup>	-37.63%	-4.39%
NASDAQ <sup>12</sup>	-30.27%	-4.16%

<sup>1</sup>www.ipohome.com, <sup>2</sup>www.bizjournals.com/sanjose/stories/2009/03/30/daily40.html, <sup>3</sup>www.bloomberg.com, <sup>4</sup>www.bls.gov/cps, <sup>5</sup>online.wsj.com/mdc/public/page/marketsdata.html, <sup>6</sup>LPL Crisis Conditions Index 4/22/09, <sup>7</sup>By the Numbers 4/6/09, <sup>8</sup>www.fdic.gov, <sup>9</sup>By the Numbers 4/13/09, <sup>10</sup>www.newyorkfed.org, <sup>11</sup>mortgage-x.com/general/historical\_rates, <sup>12</sup>finance.yahoo.com

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