THE LONGWAVE ANALYST

BOLDER INVESTMENT PARTNERS

FORWARD WITHOUT FEAR

Ian Gordon Economic Forecaster & Interpreter of the KONDRATIEFF CYCLE

Those who cannot remember the past are condemned to repeat it. Santayana

December 8, 2008

THAT WAS THE WEEK THAT WAS

Monday, Dec. 1st.

- Canadian economy grew by 1.3% in the 3rd. quarter
- Auto sales drop in Japan, France and South Korea
- California declares fiscal emergency
- Ford may sell Volvo unit
- President Elect Obama meets with several U.S. State Governors, listening to their pleas for $176 billion (U.S.) financial assistance to balance their fiscal budgets. Since 40 States are currently operating at a deficit, to exclude relief for them in his forthcoming stimulus package is politically unacceptable to the incoming Obama administration

Tuesday, Dec. 2nd.

- Goldman Sachs is expected to report $2 billion (U.S.) in write downs taken in the 3rd.quarter ending November 30th.
- GE Capital retains its AAA credit rating from Moody's, but says its 4th. quarter profit will be at the low end of analysts' estimates
- British Airways rumoured to be in merger talks with Iberia and/or Qantas
- With a $9 billion (U.S.) bailout, Ford says it will break even, or be profitable by 2011
- Ford's U.S. automobile sales decline 30.6% in November and seeks $9 billion (U.S.) bridge loan from Congress
- Chrysler Canada sales down 15.6% in November
- Chrysler's U.S. sales down 41% in November
- Manulife to post $1.5 billion (CAD) loss in the 4th. quarter
- Toyota's U.S. vehicle sales fall 34% in November

  General Motors vehicle sales fall 41% in November and seeks a $12 billion (U.S.) bridge loan from Congress, plus a $6 billion (U.S.) credit line with U.S. Government

Wednesday, Dec. 3rd.

- ISM non-manufacturing index declines to 37.3 in November vs. 44.4 in October
- ADP employment report reveals 250,000 private sector job layoffs in the U.S. during November
- The Securities and Exchange Commission (SEC) sets new regulations for the credit rating agencies
- Fed's Beige Book reports widespread economic weakness across America

Thursday, Dec. 4th.

- Target Stores sales down 10.4% in November
- Continuing jobless claims rise last week to 4.09 million on an annualized basis, the highest level since 1982
- AT&T announced planned reduction of 12,000 jobs, representing 4% of the company's total work force
- Viacom announced plans to lay off 850 workers, representing 7% of its work force
- Dupont announces 2,500 job layoffs and provides lower profit guidance for 2009
- Credit Suisse will cut 5,300 jobs in a major downsizing of its investment banking arm
- Sweden's Riksbank cuts its administered interest rate by 175 basis points to 2%
- The Bank of England cuts its lending rate by 100 basis points to 2%
- The European Central Bank (ECB) cuts its lending rate by 75 basis points to 2.5%
- Merck forecasts 2009 revenue and earnings below analyst expectations

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Friday, Dec. 5th.

- U.S. non-farm payrolls decline by 533,000 in November, the highest one-month increase in 34 years, meaning a total of 1.9 million jobs lost so far this year
- U.S. unemployment rate climbs to 6.7% in November from 6.5% in October
- General Motors to layoff 2,000 union workers, including 700 workers at its Oshawa, Ontario plant in February /09
- Canadian economy lost 70,600 jobs in November
- Canada's unemployment rate climbs to 6.3% in November
- The CEOs of automakers Chrysler, General Motors and Ford spent their second consecutive day on Capitol Hill in Washington, trying to convince Congress to grant them $34 billion (U.S.) in bridge loans. A compromise is likely to be proposed by lawmakers as soon as next week, because to do nothing is politically unacceptable to the incoming Obama administration.
- The DJIA closed the week at 8635.42 points down 93.62. The horrible employment numbers released on Friday, however, were a catalyst for buying. The index was up 259.34 points on that day.
- The price of gold (Comex) closed the week at $752.20 down $66.80. Sooner rather than later the gold price will reflect both the burgeoning physical demand and the frenzied monetary (debt) expansion perpetrated by the Treasury and the Federal Reserve.

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