



The Centurion MARKET REVIEW

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INDEX	This Week	Last Week		Change	% Change	YTD % Change	
DOW	10,919.1	10,793.7	▼	125.4	1.16%	1.88%	▲
NASDAQ	2,261.9	2,262.6	▼	- 0.7	- 0.03%	2.56%	▲
S&P 500	1,267.0	1,264.0	▼	3.0	0.23%	1.50%	▲
5yr Treasury	4.58%	4.50%	▲	8 bps	1.91%	4.23%	▲
10yr Treasury	4.58%	4.53%	▲	5 bps	1.06%	5.19%	▲
Gold (\$)	553.5	576.8	▲	- 23.30	- 4.04%	6.96%	▲
Oil (\$/barrel)	61.84	65.37	▼	- 3.53	- 5.40%	1.31%	▲

Market Summary

Ah, To Be 30 Again!

The main event this week was the Treasury Department's auction of \$14 billion new 30-year bonds, the first 30-year bond auction since August 2001. The yield curve is now inverted along its entire span with the 6-month yielding 4.69%, the 2-year: 4.68%, the 10-year: 4.58% and the 30-year bringing up the rear at 4.55%.

Equities rallied after profit-taking took the markets to new 2006 lows Wednesday; but sellers stepped in when the rally failed to push the S&P above pretty serious resistance at 1275, thus pressuring the major averages. The bottom line on the week was the S&P and the NASDAQ were basically flat, up 0.2% and down 0.1% respectively, while the Dow managed a 1.2% gain. The trading range is still intact with the market moving once again near its top, only to meet a charge from the sellers.

We believe the markets may focus on the inverted yield curve next week, making for tough sledding for equities.