



The Centurion MARKET REVIEW

Vol. 1, No. 89 January 2006

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January 13, 2006

INDEX	This Week	Last Week		Change	% Change	YTD % Change	
DOW	10,959.9	10,959.3	▲	0.6	0.01%	2.26%	▲
NASDAQ	2,317.1	2,305.6	▲	11.4	0.50%	5.07%	▲
S&P 500	1,287.6	1,285.5	▲	2.2	0.17%	3.15%	▲
5yr Treasury	4.28%	4.35%	▼	- 7 bps	- 1.56%	- 2.57%	▼
10yr Treasury	4.35%	4.38%	▼	- 3 bps	- 0.68%	- 0.11%	▼
Gold (\$)	557.0	541.2	▲	15.80	2.92%	7.63%	▲
Oil (\$/barrel)	64.58	64.21	▲	0.37	0.58%	5.80%	▲

Market Summary

The End is Nigh

We have been given a sign that the Real Estate market is nearing an end. No, it not the obvious overextended homeowners or even absurdly low cap rates on commercial property. This is more ominous. Bank of America and PNC have been given regulatory approval to develop and own large hotel and office properties. Bank of America has a track record going back many years of being late to the party. Due to the lack of space, we will mention only a few: loans to Latin America, forming and then bankrupting a Real Estate Investment Trust in the 70's and 80's and junk bonds in the 90's. Their arrival at this stage of the game is a dubious sign for the real estate market at best.

This week, the Dow broke through the psychological 11,000 level for the first time since June 2001. GM led the charge after being pummeled last week. The Grand Dame of indexes held the level through Wednesday, only to slip and fall Thursday before trading flat on Friday and basically finishing flat for the week.

U.S. Treasuries yields rose to the highest in several weeks midweek, peaking at 4.46% midweek, a gain of 14 bps since falling to 4.32% on Jan. 6 before closing the week at 4.35%. Currently, the odds of another 25bps hike in January are 96% and the odds of a 4.75% funds rate after the March 28th meeting are 66%.