



# The Centurion MARKET REVIEW

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PAGE 1

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INDEX	This Week	Last Week		Change	% Change	YTD % Change	
DOW	11,021.6	11,061.9	▼	- 40.3	- 0.36%	2.84%	▲
NASDAQ	2,302.6	2,287.0	▲	15.6	0.68%	4.41%	▲
S&P 500	1,287.2	1,289.4	▼	- 2.2	- 0.17%	3.12%	▲
5yr Treasury	4.71%	4.63%	▲	8 bps	1.73%	7.17%	▲
10yr Treasury	4.68%	4.57%	▲	11 bps	2.49%	7.55%	▲
Gold (\$)	568.0	561.2	▲	6.80	1.21%	9.76%	▲
Oil (\$/barrel)	63.67	62.91	▲	0.76	1.21%	4.31%	▲

## Market Summary

### Do You Google?

A fairly uneventful week in the financial markets, highlighted by the tempering of Google's growth expectations by their CFO, led to a lackluster performance from the major stock indices.

U.S. stocks closed higher Monday, after a pullback in crude-oil prices, strong earnings from Lowe's Cos., and an upbeat profit outlook from Verizon Communications, only to close sharply lower Tuesday, with Google shares plummeting \$50 (13%) after their CFO's tempered growth-rate expectations before bouncing back after the analyst meeting to close down 7% for the day and less than 2% for the week. The seesaw continued as stocks rose and fell on Wednesday and Thursday before making a moderate advance from earlier losses Friday as an upswing in the nation's service sector helped ease investors' worries about a bleak outlook from Intel Corp. and shrinking corporate profits on Wall Street.

Jumping back to Google, the high flying stock has been seeing quite a lot of insider selling recently. In fact, according to Argus Research, insider selling at Google over the last six months is off the charts. Now that means less when Google's stock price has been on a virtually uninterrupted upsurge but 2006 has seen Google's stock fall from a high of \$475 per share to near \$340. Yet in the wake of that nearly 30% decline, insider selling continued more or less unabated. Perhaps the better way to look at it is that there has been no rush on the part of the insiders to buy more of the firm's shares in the open market at the lower prices afforded by that air pocket. Even if the ratio of insider selling to insider buying at Google may not be as lopsided as the raw numbers would otherwise suggest, it still is awfully uneven and makes it difficult to avoid the conclusion that recent Google insider selling carries some bearish significance.

Ben Bernanke, the new Federal Reserve chairman, has yet to preside over a meeting of the policy-making Federal Open Market Committee, but the bond market believes that short-term interest rates are heading higher in March, and again in May.