



Ask a trust officer

Where's the bottom?

DEAR TRUST OFFICER:

How much longer is this recession going to last?

—WAITING FOR THE UPTURN

DEAR WAITING:

Economists remain divided about the prospects for recovery. There have been hopeful signs, including the fact that the stock market indices haven't yet tested the bottoms set in March. On the other hand, consumer confidence, as measured by the Conference Board, fell from a somewhat optimistic reading of 54.8 in May to a slightly pessimistic 49.3 in June, disappointing observers who had been looking for signs of momentum.

Standard & Poor's, as one prominent example, predicted in June that the recession would end in the fourth quarter of the year, and would be followed by an anemic 1.3% growth rate for 2010.

You should keep two points in mind. First, bear markets usually end before recessions do. By the time that a recession is definitively over, significant market gains already have been booked. Second, even in a bear market, some companies are continuing to do reasonably well. That's what makes getting professional investment advice a good idea for so many investors.

Please contact one of our trust officers at (989) 779-6207 with any questions.

Randy Dickinson, CTFA, CPA
rdickinson@isbellabank.com

Michelle Mease, CTFA
mmease@isbellabank.com

Miles Coffland, CFTA, CPA
mcoffland@isbellabank.com

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