



PRATT, KUTZKE & ASSOCIATES, LLP

April 2010

Springing Ahead

The market began the year continuing its rally from 2009. Despite a dip during the later part of January, it has continued a steady march upward. We have had four consecutive quarters of positive growth on the S&P 500; a welcome improvement over the six preceding negative quarters. We now find ourselves with a relatively stable market firmly in positive territory for the year to date.

There continue to be signs that the US economy is emerging from the recession. Some areas of note and interest from recent economic news:

The recently passed healthcare legislation will have far reaching effects, though much of the impact may not be seen for years. While we felt it should be mentioned, this topic seems to be well covered by the media and far too polarizing to explore in a brief newsletter.

US non-farm payrolls rose in March and the private sector increased hiring at the fastest pace in almost three years. The Unemployment rate held steady at 9.7% over the last three months; below the recession peak of 10.1%. Despite fears of depression level unemployment, this recession did not even match the 10.8% rate reached during the 1981-1982 recession.

The Conference Board's Consumer Confidence Index decreased in February, but saw an increase during the month of March. It is now well above the record low reached a year ago, but still shy of what is considered 'healthy'. Consumer spending also increased in March for the 5th straight monthly gain.

Interest rates remain at historical lows. According to Freddie Mac, the average interest rate nationwide on a 30-year fixed mortgage was 4.99% last week, just slightly above the record low of 4.71% set in December of 2009. That is especially striking when considering that for 12 consecutive years (1979-1990) the average rate was at least 10%.

Finally, census forms were mailed out last month and we encourage you to return yours. The Census Bureau anticipates that 40% of the 120 million census forms that were mailed out will not be returned, forcing temporary workers earning \$20 per hour to visit each address that did not return the document.

As always, please contact us if you have any questions, comments or concerns.

Regards,

The PKA Team

Market Update

A quick glimpse at the market for the first quarter and year of 2010:

	<u>Q1</u>	<u>2010</u>
DOW:	+4.79%	+4.79%
NASDAQ:	+5.88%	+5.88%
S & P 500:	+5.65%	+5.65%

IRA Contributions

All 2009 IRA and Roth IRA contributions must be deposited by April 15, 2010. Please make sure all checks are received at our office by Monday, April 12th to ensure they are deposited in time.

PKA News

We have two new employees in our North Mankato office! Mike Mallak and Krystal Jacobsen joined our team in March. If you stop into our office, be sure to say hello.

Twins Baseball

Catcher Joe Mauer recently signed an 8-year, \$184 million contract (the 4th largest baseball contract ever!) That is an average of \$63,000 per day. If that sounds a bit meager, don't worry; he also receives \$89.50 in meal and tip allowance for each day his team is traveling on the road.