MWM
MELFA WEALTH MANAGEMENT

1500 West Park Drive
Westborough, MA 01581

Phone: 508 366 6040
Fax: 508 870 5582
www.melfawm.com

77 Franklin St., 4th Floor
Boston, MA 02110

Phone: 617 292 0300
Fax: 617 723 3163

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The stock market has been going sideways for much of the year. After tumbling 2.9% last Friday (7/16/10), the S&P 500 finds itself down 3.5% (total return) YTD. If stock values are to recover any time soon, it will take a combination of better earnings reports and improved economic news. Until then, the stock market may continue its flat-line movement (source: BTN Research).

The Senate vote was 60-39. The final legislation was an incredible 2,300 pages long, forcing 243 changes to federal rules. The bill was driven by a national financial collapse that occurred 22 months ago. But last week's vote would have never taken place without the support of 3 New England Republicans. Senators Brown (MA), Collins (ME) and Snowe (ME) became the final piece of the puzzle of a very complex and intricate bill whose impact will be felt by the financial industry for years to come (note that one Democrat voted against the final bill). President Obama is expected to sign the legislation into law this upcoming Wednesday (source: Senate).

Both Chris Dodd's Senate Banking Committee and Barney Frank's House Financial Services Committee will play host this week to Fed Chairman Ben Bernanke and his semiannual assessment of the US economy. Bernanke, who scored 1,590 on his high school SAT (out of a possible 1,600) will work very hard to explain to Washington politicians the current state of our recovery (source: Federal Reserve).

Notable Numbers for the Week:

1. ***TWO PERCENT*** - The S&P 500 stock index fell 2.9% last Friday 7/16/10 (i.e., the change of the raw index not including the impact of reinvested dividends). In the **last 50 years**, a 1-day gain or loss of at least 2% for the S&P 500 has occurred **every 21 trading days**. Since the beginning of September 2008 (i.e., the start of the global credit crisis), a gain or loss of at least 2% has occurred **every 4 days**. The S&P 500 is an unmanaged index of 500 widely held stocks that is generally considered representative of the US stock market (source: BTN Research).

2. ***CAN'T RETIRE*** - 47% of Americans currently between the ages of 56-62 **would run out** of the funds necessary to pay for basic retirement expenditures **if they retire at age 65** (source: Employee Benefit Research Institute).

3. ***LIVING WITHIN OUR MEANS*** - Revolving credit, which includes **credit card debt**, fell in May 2010, its 20th consecutive monthly decline. This total peaked in **September 2008** and has fallen every month since then. The **$830.8 billion** of revolving credit nationwide as of 5/31/10 has fallen back to **almost the same level** ($830.5 billion) that existed in the country as of 12/31/05 (source: Federal Reserve).

4. ***DIDN'T SOLVE THE ENTIRE PROBLEM*** - 48.4% of home mortgages **modified by lenders** in the 1st quarter 2009 were **90 days or more delinquent** just 1-year later (source: Office of the Comptroller of the Currency).

Regards,

Victor Melfa III