OLYMPIA CAPITAL MARKETS GROUP

Weekly Comment

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Market Overview

The Dow Jones Industrial Average fell another 62.97 points (0.62%) last week to 10,150.65 despite a rally on Friday which followed Fed Chairman Bernanke statement that the Fed would consider unconventional monetary accommodation to stimulate the economy if the outlook "deteriorates significantly." The resurgence of merger and acquisition activity also served to limit the market's decline in response to growing concerns about the vigor of the economic recovery.

In the News

Tiffany (TIF-40.71) Luxury on Sale

Tiffany reported impressive demand for the top end of its product offerings. However, sales of less expensive items wre off and the stock dropped about 6% last week.

Hewlett-Packard (HPQ-38.00) Here a Billion, There a Billion

Despite raising its bid for 3Par (PAR-32.46) to $30/share or about $1.9 billion, Hewlett-Packard this morning announced a $10 billion buyback addition. The stock is up 2%-3% in pre-market trading.

The Week Ahead

It will be a busy week for economic data reports. The big news will be the August employment figures scheduled to be released on Friday. The impact of the decline of census workers is expected to keep the nonfarm payrolls total change in the negative column. It will be another quiet week for earnings reports. With some investors turnimg defensive, it will be interesting to see how Heinz and Campbell Soup fare. On the cyclical front, Joy Global reports on Wednesday. Notable releases scheduled are Barnes & Noble (the big loss should be viewed in the context of a brewing battle for control) and Toll Brothers (homebuilders are always of interest for as investors try to divine any signs of a turnaround in the housing market). The only Treasury auctions this week will be on Monday: $30 billion of three-month bills and $30 billion of six-month bills.

Economic Indicators				
		Expected		Last Period
Monday, August 30:	July Personal Income	0.30%		0.00%
	July Compensation	0.30%		0.00%
Tuesday, August 31:	August Chicago PMI	57.00%		62.30%
	Aug. Consumer Confidence	50.90%		50.40%
Wednesday, Sept 1:	July Construction Spending	-0.50%		0.10%
	August ISM Index	52.80%		55.50%
Thursday, Sept 2:	Q2 Productivity (final)	-1.90%		-0.90%
	July Factory Orders	0.40%		-1.20%
Friday, Sept. 3:	August Nonfarm Payrolls	-100000.00%		-131000.00%
	August Unemployment Rate	9.60%		9.50%

Source: Bloomberg

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Selected Corporate Earnings

		Period	Estimate	Year Earlier Period
Monday, August 30:	Jos. A. Banks	2Q	$0.53	$0.45
Wednesday, Sept. 1:	Brown Foreman	1Q	$0.84	$0.81
	Heinz	1Q	$0.73	$0.67
	Joy Global	3Q	$1.02	$1.21
	Martek Biosciences	3Q	$0.36	$0.27
Thursday, Sept. 2:	Block (H&R)	1Q	($0.41)	($0.39)
	Take Two Interactive	3Q	($0.09)	($0.66)
Friday, Sept. 3	Campbell	4Q	$0.30	$0.30

Source: Thompson First Call