

March 2012  
Ask a Trust Officer

## **DJIA 13,000**

DEAR TRUST OFFICER: I understand that the Dow Jones Industrial Average crossed the 13,000 mark in February. Are happy days here again?—ETERNAL OPTIMIST

DEAR ETERNAL: Yes, the Dow closed above 13,000 on February 28, 2012, for the first time since May 19, 2008. That is welcome news, but some perspective is in order. To account for inflation since 2008, the Dow would need to cross the 14,000 mark. What's more, the peak closing of the Dow was 14,164 on October 9, 2007. We have quite a ways to go before any new records are set.

Stocks are up 22% since early October, of which 6.4% came in 2012. That's the best first two months in the market since 1998. Opinion is divided on whether this means "happy days are here again." Some market observers believe that stock prices are due for a pullback. High oil prices and lingering fears over European sovereign debt feed this pessimism. Others are confident that an economic recovery is well under way, that the balance sheets of major companies have been repaired, and so there is still plenty of upside in carefully chosen stocks.

If you'd like a more specific opinion about your own portfolio management, please bring your questions to us.

*Do you have a question concerning wealth management or trusts?* Send your inquiry to [\[trustofficer@bankname.com\]](mailto:trustofficer@bankname.com).

(March 2012)  
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