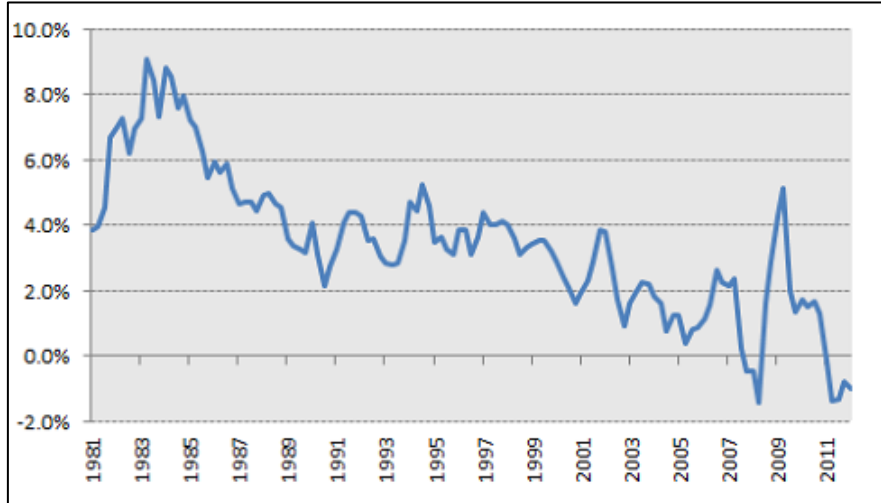


# Market Recap

## 10-Year Treasury Yield



Source: Federal Reserve

The 10-year Treasury yield has reached its lowest closing level on record. Amid the unsettling news in Europe and our own economic woes, investors have been piling into Treasuries, sending prices higher and yields lower. Down from 4% just two years ago, and breaking the low set in September last year, the yield on the 10-year note closed at 1.702%. Investors have been aggressively moving out of risky assets—those that tend to fare worse during an economic downturn. Equity markets, junk-bonds, and commodities have experienced selling. Many investors are worried about possible contagion should Greece exit the euro zone. At current levels, yields on the 10-year note are well below expected levels of inflation. That means investors effectively would be receiving a negative yield on the note.

## U.S. Exports to Eurozone and Dollar/Euro Exchange

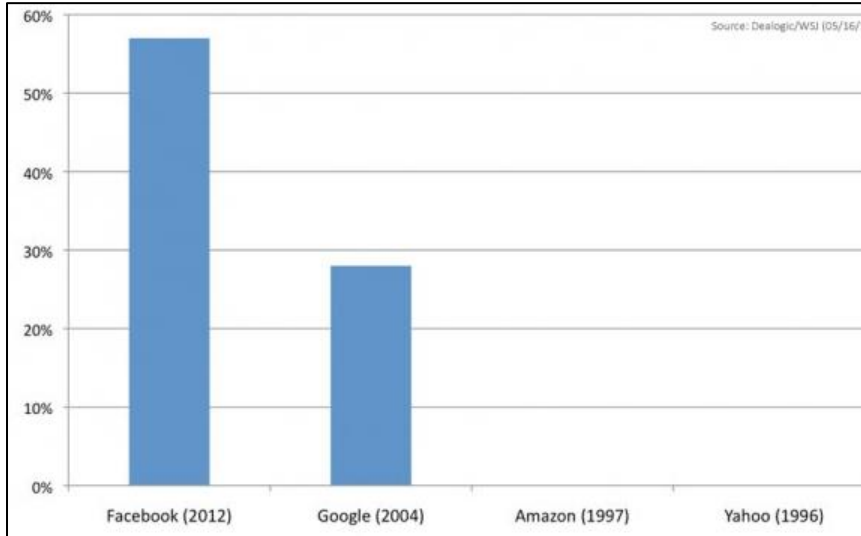


Source: U.S. Census, Factset, WSJ

Despite turmoil in Europe, the U.S. economy has continued to expand during the last two years. Exports have been a critical driver for the U.S. recovery, far outpacing their growth in past recoveries. Following the 2008 financial crisis, U.S. exports to Europe have increased steadily, returning to their pre-crisis peak by the first quarter of this year. One key reason has been that the U.S. dollar has remained relatively weak against the euro, at or above \$1.30. This could change quickly if a wave of deeper troubles unfurls in the euro zone and/or interest-rate cuts by the European Central Bank spur a flight from the euro. While a sustained drop in the euro may help European economies recover by boosting their exports, it would detract from U.S. companies exporting to Europe, thereby impacting the overall U.S. recovery.

# Market Recap

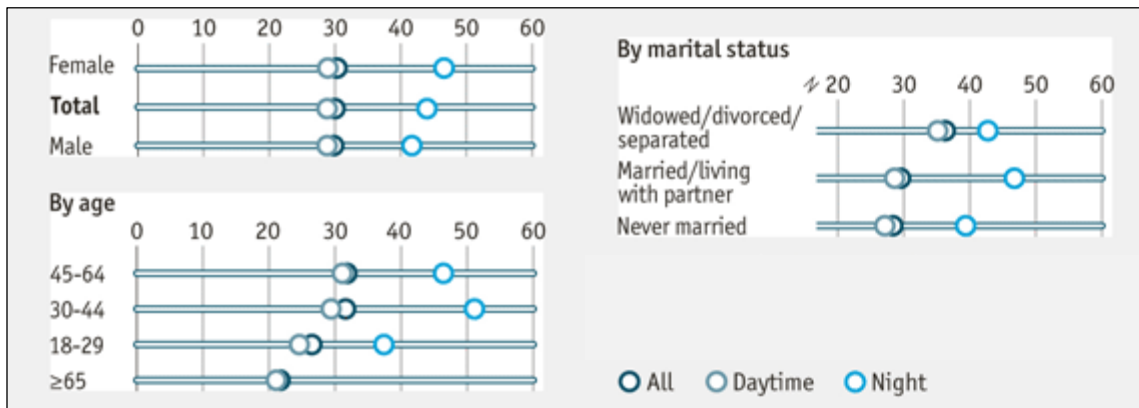
## Percent Insiders Selling of Total Stock Offering



Source: Dealogic, WSJ

The Facebook IPO was priced at \$38 a share, at the top end of the \$34 - \$38 range it set earlier this week. At \$38 a share, Facebook is valued at \$104 billion, the highest valuation of an American company at the time of its offering. Facebook's IPO is set to raise \$18.4 billion, becoming the second-largest U.S. IPO of all time behind Visa Inc.'s 2008 offering that brought in \$19.65 billion. A sizable portion (57%) of Facebook shares came from company insiders. For some context on how unusual that is, only 37% of Google's IPO offering came from insiders, and 0% for Amazon and Yahoo! came from insiders. This IPO allows Facebook insiders to monetize their interests but it does not benefit the company in terms of funding operations or facilitating expansion.

## Percent Workers Getting Less than 6 Hours Sleep



Source: Centers for Disease Control and Prevention

According to a new study by the Centers for Disease Control and Prevention, 30% of American workers report getting less than 6 hours sleep per day. The National Sleep Foundation recommends between 7 and 8 hours of sleep for adults. Workers in the prime earnings years (30 to 64 years old) reported the highest level of sleep deprivation. Widowed, divorced and separated workers also have difficulty sleeping—they were more likely to report short sleep duration than married or single workers. Sleep deprivation not only lowers productivity, but is also associated with accidents (a fifth of vehicle accidents were linked to drowsy driving), and adverse health effects, such as heart disease and obesity.

**Contact:** If you have any questions or comments, please do not hesitate to contact us at 703.992.6164. For more information about Harbour Capital Advisors, please visit our website at [www.harbourcapitaladvisors.com](http://www.harbourcapitaladvisors.com).

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