



George Chamberlin's Money in the Morning

By George Chamberlin, Executive Editor
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The **S&P 500 stock index** celebrated another record-closing high yesterday in a session lacking much enthusiasm. The broad-based index got a big boost from **shares of Google**, which finished the session at \$861, up nearly \$16, and closing at an all-time high. Hard to believe it was back in 2004 that Google held its IPO at \$85 a share and has never looked back since. This is one company, unlike Facebook, that has lived up to its hype.

Always anxious to rain on any Wall Street parade, **MarketWatch.com** this morning blared this headline on its website: "Why **S&P 500's record high** is really another 25 percent away." The column by Mark Hulbert pulls out the usual criticism, saying you need to calculate the impact of inflation to really determine any new record high. He cites some silly calculation from permabear Robert Shiller called the "cyclically adjusted P/E ratio" to come up with an explanation of where the market really needs to get to for a new high. This sounds like a typical whiny excuse from a bunch of academics who have completely missed the Great Rally.

By the way, investing is all about momentum. One of the great expressions on **Wall Street** is "Don't fight the tape." When stocks want to go up -- or down -- they will. You can try to apply all the logic in the world or rely on technical and fundamental analysis, but it all comes down to momentum. FYI, 307 stocks traded on the **NYSE** hit new 52-week highs yesterday; 11 hit new lows.

The **CoreLogic home price index** released today shows continued gains across the United States, and especially strong gains here in the West. Nationwide, **prices rose 1.9 percent** in March compared with the previous month and 10.5 percent compared to the same month in 2012. Nevada was the state with the biggest year-over-year increase, up 22.2 percent, and California was close behind with prices rising 17.2 percent. "For the first time since March 2006, both the overall index and the index that excludes distressed sales are above 10 percent year over year. The pace of appreciation has been accelerating throughout 2012 and so far in 2013 leading into the home buying season," said Mark Fleming, chief economist at CoreLogic.

Another poll out this morning is not good news for **California**, although the news hardly comes as a surprise. A survey by **Chief Executive Magazine** finds the Golden State is rated dead last on the list of states when it comes to the **business climate**. The report says California's poor ranking "is the result of a perceived hostility toward business, high state taxes and onerous regulations, all of which drive

investment, companies and jobs to other states." It also is no shocker that Texas ranks number one on the list of business-friendly states, followed by Florida, North Carolina, Tennessee and Indiana.

Considering the poor business climate here it's not surprising 81.8 percent of small business owners here say the **state's economic environment** presents a challenge to their business instead of an opportunity. And, according to the survey from **California Bank & Trust**, 66 percent of small businesses do not have plans to hire additional employees in 2013.

It's one thing to be invited to play golf with the president, it's another thing to shoot a hole-in-one. However, that's exactly what happened yesterday when **President Obama** invited three U.S. senators to join him for a round of golf at Andrews Air Force Base. On the 11th hole, **Sen. Saxby Chambliss** hit a five iron 156 yards right into the hole. Chambliss and the other Senators had to cut the round short and return to the Capitol for an important vote. Of course, that saved the senator from Georgia from having to fulfill a traditional obligation: free drinks for everyone following the round. I guess, in a roundabout way, that saved taxpayers a few dollars.

The World Golf Hall of Fame held its ceremony last night, inducting five new members. Among the players honored were **Colin Montgomerie**, and **Ken Venturi**, who unfortunately was not able to attend because of health issues. The star of the show, however, was **Fred Couples**. Probably one of the most liked players ever to compete at the highest levels, the 52-year-old Couples still plays on the regular PGA tour as well as the Champions tour for those over 50. One of the best stories of the evening was how he and his roommate at the University of Houston, CBS sports anchor Jim Nantz, used to pretend Couples had won the Masters tournament and Nantz was there to award him the green sports coat, a dream for both that became a reality. Nantz had the honor last night to introduce Couples and also narrated the amazing story of Ken Venturi's life inside and outside of golf. Quite an evening.

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