

*From the Desk of John Colley...*

## **Monday's News is a Mixed Bag**

\* US Personal Income rises a nice 0.4% but consumer spending rose only 0.3% in the last month. Economists had expected a bigger spending number so this is a slight disappointment. Personally, I'm "okay" with it as it shows some consumer restraint and infers a little savings might be going on.

\* Chicago's Fed Manufacturing Index was "flat" in March at 92.2. The machinery sector remained strong, underscoring that factories are maintaining production, but there is not a rush to rebuild inventories. Usually this pick-up begins in May each year in preparation for a heavier Summer demand. (We'll have to watch for that development.)

Eyes remain focused on Spain as economists try to get a better grip on Spain's slowdown (recession) which has pushed the Euro down slightly today.

## **Other Corporate News:**

- Toyota's operating profit is expected to hit 350 billion yen, surpassing the company's guidance ... a welcome positive surprise.
- GM and Isuzu are discussing a possible capital alliance ... GM hopes to strike a deal to buy 10% of Isuzu Motors.
- Microsoft is infusing \$300 million into Barnes and Nobel's Nook digital business.

JC  
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