

From The Desk of John Colley...

Monday's News

- **U.S. stocks remain little changed** despite gains in European stock markets overnight. There was favorable news from Europe on two levels:
 - **Greece's debt-swap talks** are going well and finance ministers convene for budget talks.
 - **The EU agrees to enact an oil embargo** on Iran to take effect immediately (oil rallies in response, as expected).
- **Obama** plans to unveil an economic blueprint in his State of the Union address on Tuesday evening. It is said that he will outline a set of policy proposals aimed at boosting manufacturing, housing, energy, and education. Emphasis on protecting the middle class will also be on the agenda.
- We can **expect news from the Eurozone government** over the next couple weeks on ESM voting procedures (i.e. regarding the €500 billion bailout fund/consenting and dissenting views).

NOTE: This is a fairly big deal because setting up the debt crisis firewall is a pretty important move (and it also instills some confidence and implements pro-growth policies that can work better when there is liquidity).

U.S. corporate earnings news is starting to be released.

- **GOOG** (on Friday with carryover to today) saw investors react a little harshly to a mildly disappointing earnings report (+20 EPS growth). After all, profit margins were up to 43%, a number not seen since 2009 and with a P/E of 16, GOOG doesn't seem overvalued.
- Beating the Street were:
 - **Fifth Third Bank**
 - **Intuitive Surgical**
 - **Halliburton**
 - **Chesapeake Energy**

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