From the Desk of John Colley:

Current Reflections...
In retrospect, our American financial markets, and investors alike, do have **a lot to be thankful for**. Afterall, despite grim predictions from many, the "Armageddon" outcome or feared "double dip" recession didn't materialize or play out, wreaking havoc with our economy.

Instead, we have settled for a slower recovery and a "healing" that will take some time. At times, it will try our patience. Not trying to sound too trite, but the markets remain testy, challenged, and emotional. The political crosswinds and unsettled answers on the fiscal and tax fronts leave some anxiety on the table as we go into the holiday season.

Today our stocks are sliding because of Eurozone debt worries and the contagious effect it portends to other Euro states in the "domino effect" schematic. The European Union (EU) expects to conclude technical talks with Ireland on the size of its rescue package before month's end. Europe's commissioner for Economic Affairs adds to this news: Ireland is committed to getting this done and fixed...Also in Ireland, expect a new general election in January. Ireland is planning to tinker with (raise) corporate taxes...Irish bank stocks have "shored up" after tumbling last week, while Moody's will soon decide on a multi-notch downgrade (a little late!).

The U.S. economy seems preoccupied with these developments, but no one can really dismiss the worries, especially if you look back at the May/June selloff, which now seems to have been an overreaction (especially with only 7 of 109 banks in the Eurozone doing poorly on the bank "stress" tests). The main problem back then (May/June) was the "unknown": no one person or committee panel seemed "in the know" about how to articulate the severity of the problem, nor how it could be resolved. Anxiety set in and we had a selloff. This time around it seems less intense and severe, but worries do tend to linger.

Let me remind everyone, though, that the U.S. economy continues to chug along on a plottable recovery path (following that staircase profile with an occasional side-step). Not to bore you, but there are 15 major indicators that bear this out. The early forecasting we have done for 2011 indicates a bullish overtone, which will be weighed down by consumer and government debt concerns, lagging unemployment, and business regulation, leading to a slowly improving (but not roaring) rebound.

Flashback to New England...1620's:

Our Pilgrim and Indian ancestry surely survived worse conditions, struggling to just make it alive, grow crops, fight flu and rickets, and get through those harsh winters by working hard, staying together as a team, showing compassion, and remaining strong and hopeful in spirit. So, with that backdrop in place, let me wish everyone **a happy and healthy Thanksgiving holiday...one filled with hope, positive spirit and good camaraderie**.

John Colley
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