

*From the Desk of John Colley...*

### **Update on FACEBOOK**

Facebook has announced the company's stock will trade on the NASDAQ exchange under the **Ticker Symbol: FB**. The company is looking at IPO dates of May 17<sup>th</sup> or May 24<sup>th</sup>, a source close to the company has revealed. The IPO launch could also occur in June or July instead because the underwriters want Facebook to spend as much time as possible on the road, doing promotional marketing and the various road shows that put the stock in favorable light. Because FB is already so popular, some contend it is more likely to be over-subscribed to right from the get-go. It may not be necessary to wait until Summer to launch.

Choosing the NASDAQ Exchange (vs. others like the NYSE or AMEX) probably had more to do with branding and image, as NASDAQ's reputation is more associated with Silicon Valley (i.e. MSFT, GOOG, AAPL, DELL and INTC to name a few).

The filed paperwork says it will be a \$5 billion IPO and no exact price (per share) was yet available.

### **FRIDAY the 13<sup>TH</sup>**

It's Friday, the 13<sup>th</sup> and I have not seen any black cats or ladders this morning. Consumer prices rise 0.3% and core CPI is up 0.2% (both in line).

\* Stealing some headlines today is China's GDP number (which is led heavily by exports) which came in at 8.1% growth year over year (estimate was set at 8.3% growth). China is trying to create a structural change in their economy and has targeted 8% GDP growth as a goal. Remember China cannot grow at 10% every year; it is not possible. But it also allows China to reduce its 6% inflation (not desirable). Some view this as good news, other see it contributing to a global slowdown as China still remains export-dependent and currency sensitive in trading. And, keeping it in perspective, most economists would agree that 7 ½ % to 8 ½% GDP growth is not a hard landing and this is still good growth (and positive for Deere/CAT/GE/metals/fertilizers/natural resources).

\* Apple denies any price-fixing on any of its products. They claim that the Department of Justice's claims and allegations are "simply not true". They did not collude on E-Book pricing.

\* Wells Fargo released its first quarter results today... net up 13%.

- EPS were 75 cent vs. 73 cents (estimate).

- First Quarter revenue \$21.6 billion vs. \$20.5 billion (estimate).

\* J. P. Morgan also beat the street on earnings and revenues while net was down 3% (legal expenses and writeoffs). Like WFC, losses related to mortgage and commercial loans will continue for a while as workouts and refi's are taking more time to rectify.

\* GOOGLE's numbers are very good and they announced a 2:1 stock split.

Have a GREAT WEEKEND.

JC

4/13/12