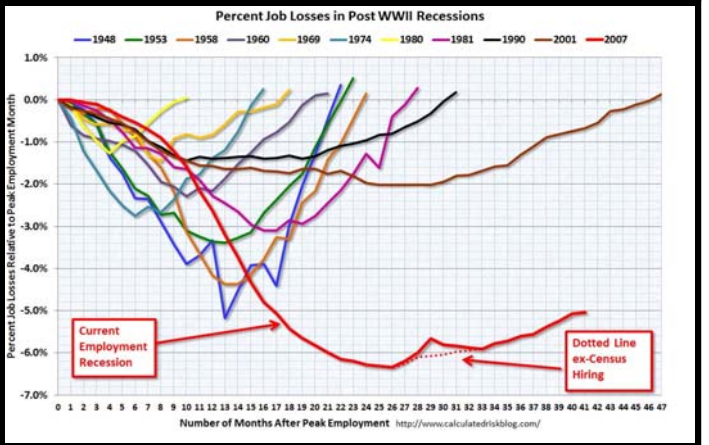
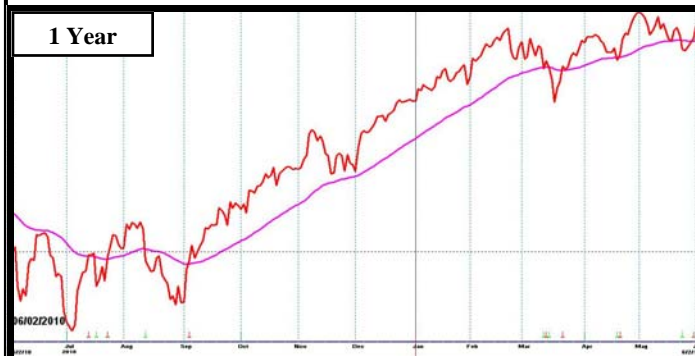


At left is a chart starting in Jan. 1960 showing the Employment Population Ratio (black), Participation (blue) and Unemployment Rates (red). The blue vertical lines indicate previous recession periods. Note that while the Fed points to the number of jobs that have been created in the last year, the rate of unemployment is still comparatively high and we have a long way to go to get back to “normal” employment levels. Also of significance is that the current workforce participation rate at 64.2% has rolled over and is trending down. The normal level of work force participation for the past 20 years is 66% to 67%.

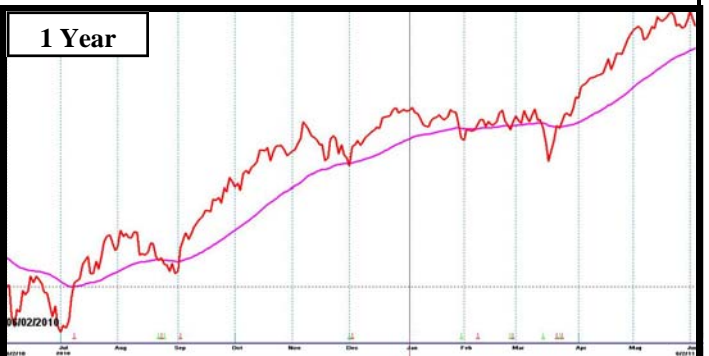
At right is a chart showing the percent of job losses for each recession period since WWII. In terms of payroll job losses, the current period is by far the worst seen to date. Also of note is that the number of months necessary for recovery has increased with each recession. At the current rate of increase, it would suggest that full employment recovery will not occur until sometime in 2014. One should logically ask how the housing market can possibly recover until we reach something approaching full employment.



MARKET SNAPSHOT



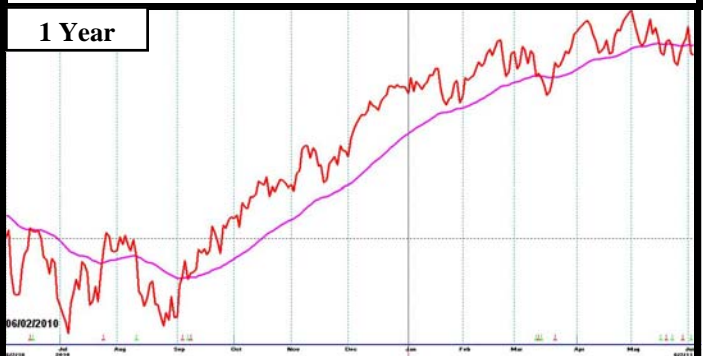
S&P 500 (SP-CP) w/ 50 day moving average



NASDAQ 100(NDX-X) w/ 50 day moving average



Dow 30 (DJ-30) w/ 50 day moving average



Russell 2000 (RUT-I) w/ 50 day moving average

Kirk Zickler
P.O. Box 131646
Houston, Texas 77219

June 2, 2011

Phone: 713-621-9898
Fax: 713-621-2007
E-mail: kirk@coastal-wealth.com