



**FOR IMMEDIATE RELEASE**

**Media Contacts:**

Nick Kopinga/Robyn Williams

HKA, Inc

714-426-0444

[nkopinga@hkamarcom.com](mailto:nkopinga@hkamarcom.com)

[robyn@hkamarcom.com](mailto:robyn@hkamarcom.com)

**GLOBAL UNCERTAINTY THREATENS GROWTH RATES, BOND MARKET, ACCORDING TO FARMERS AND MERCHANTS TRUST COMPANY ECONOMIC REPORT**

**LONG BEACH, Calif. – Oct. 24, 2011** – Concerns surrounding the global economy are threatening international growth rates and the bond market, while investors remain focused on capital preservation, according to [Farmers and Merchants Trust Company's \(FMTC\)](#) September Economic Commentary.

“Prevailing fears surrounding the global debt crisis continue to threaten the growth of the U.S. economy as well as economies throughout Europe and Asia,” said Jay Ferrara, vice president and investment officer with FMTC. “As analysts continue to adjust their projections, investors are relying on defensive investment strategies to hedge against near-term risk.”

Key benchmarks for the month of September include the following:

- Equity benchmarks posted the fifth straight monthly decline
- Despite expectations for a stronger Q4, analysts are reducing corporate earnings estimates, albeit grudgingly
- 10-Year U.S. Treasury dropped below 2%, with the 30-year sitting below 3%, signaling a significant slowdown in the bond market
- The unemployment rate hovers around 9%, with many long-term unemployed falling off the books
- Consumer sentiment has fallen to 2008-2009 levels despite efforts by political leaders to inspire confidence among consumers
- Europe remains in turmoil surrounding the Greek debt crisis, while economies in both China and the rest of Asia also appear to be slowing
- Investment returns may remain lower for the next decade, with expectations of 3-6% for balanced accounts

Despite these factors, corporate balance sheets remain strong, with margins kept mostly in tact by controlling costs and an acceleration of layoffs, according to the report. This reflects an effort by Corporate America to fortify itself ahead of the threat of a second recession. “Efficiency and productivity remain robust, precluding corporations from the need to expand their workforces,” said Ferrara.

Farmers and Merchants Trust Company publishes its Economic Commentary on a monthly basis, providing insights and projections based on key economic indicators. The September report can be downloaded at

<http://fmtrust.com/pdf/FMTCMonthlyBenchTableandEcon092011.pdf>

### ***About Farmers and Merchants Trust Company***

Farmers and Merchants Trust Company is the oldest, continuously operating trust company in California, serving multiple generations since 1920. Farmers and Merchants Trust Company was founded in its current Long Beach location, 302 Pine Ave., by the Walker family and expanded to Orange County, at 24300 Paseo de Valencia, Laguna Hills, in 2000. The Trust Company provides full-service traditional personal trust management services as well as professional investment management for a full range of clients.

### **Statement on Projections**

The Economic Update views expressed are those of Farmers and Merchants Trust Company and are based upon information believed to be reliable. FMTC makes no representation or warranty to the accuracy of the information. The views are subject to change at any time in response to changing circumstances in the market and are not intended to predict or guarantee future performance of any individual security, market sector or the markets in general.

###