

A weekly summary of key financial and economic information

Times Watch

The Seattle Times



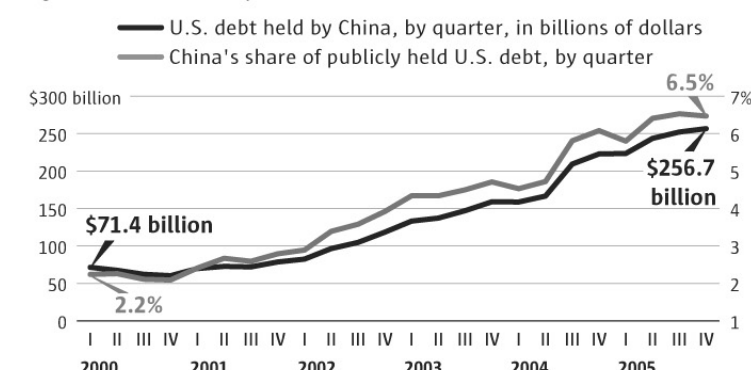
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Economic Snapshot | World Watch: China

The U.S.-China economic relationship is probably the most important one in the world: the globe's largest economy and its most dynamic. Total imports from China last year were up 23.8 percent compared with 2004. Exports to China rose almost as much, 20.5 percent, but are much smaller overall. That gap (the trade deficit) — aided by China's low labor costs and cheap currency — has led to much hand-wringing in "the other Washington." But this Washington, which sells China everything from jets (\$3.1 billion last year) to fruits and vegetables (\$986 million), is wary of any moves that might inhibit trans-Pacific trade.

Float me a loan?

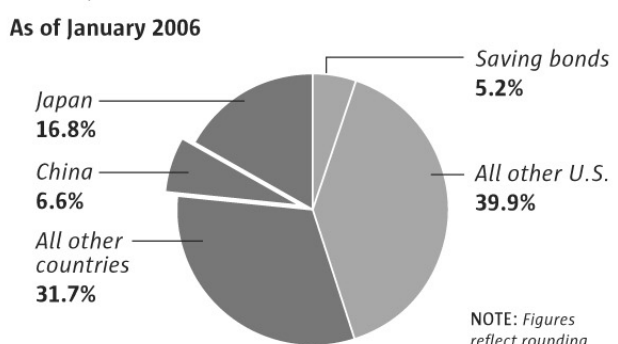
As China's trade surplus with the United States has grown, it has invested more of its dollars in U.S. government securities — becoming one of our largest creditors in the process.



Source: U.S. Treasury Department

We owe, we owe

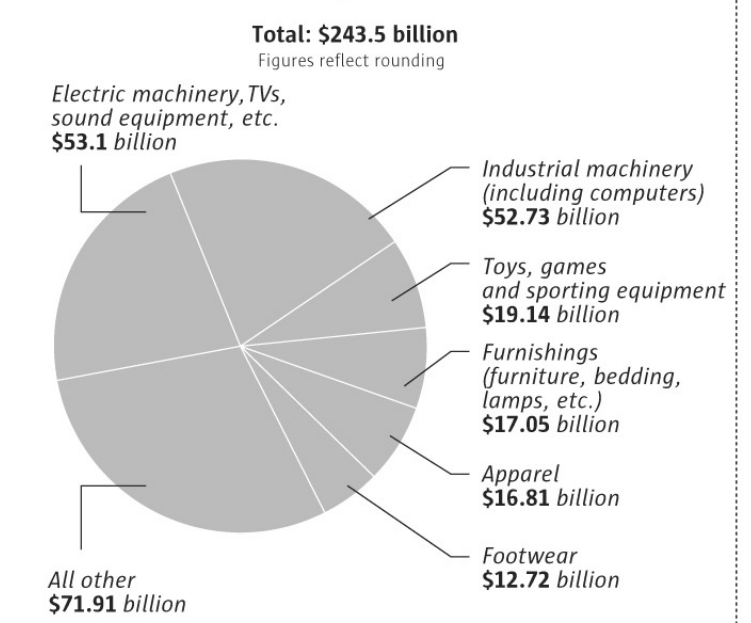
All told, foreign countries hold nearly \$2.2 trillion in U.S. government debt, out of nearly \$4 trillion held by individuals and institutions. Though China is the second-largest foreign creditor, its overall share of the debt is modest.



Source: U.S. Treasury Department

Matters of great import

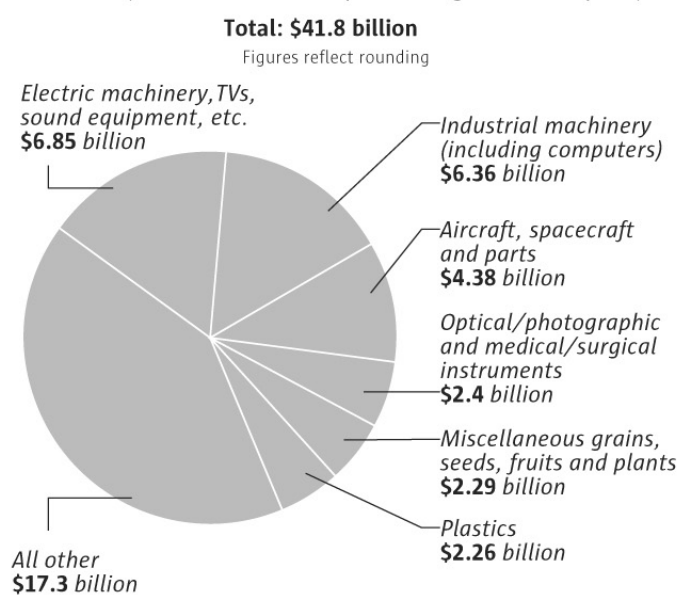
Last year the United States imported \$243.5 billion in Chinese goods. Here's a breakdown of what they were:



Source: WISER via World Trade Center Tacoma

The export experts

U.S. exports to China don't get as much attention as our imports, but we did sell them \$41.8 billion worth of goods last year. A breakdown (note the size of aerospace and agricultural exports):



Source: WISER via World Trade Center Tacoma

Nothing gross about this product

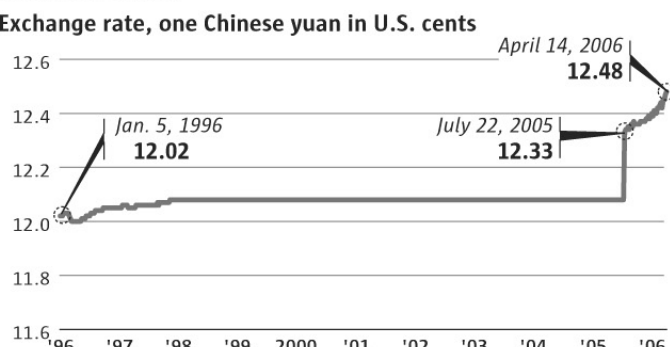
No one's quite sure how reliable China's economic statistics are, but there's no doubt its economy has grown much faster over the past decade than the United States (or almost anyone else).



Source: Bloomberg News

Currency conundrum

Under pressure from the United States, China last summer loosened its tight grip on the yuan — a bit. However, many here still think the yuan is too cheap.



Source: Bloomberg News

REPORTING BY DREW DESILVER, GRAPHIC BY ALDO CHAN / THE SEATTLE TIMES

Sunday Memo

The business week ahead

HEADS UP: The Seattle-area housing market remains robust, but we'll see what's up, or down, nationally Tuesday when monthly figures on housing starts are out. Other key economic reports released this week include Tuesday's producer-price index, Wednesday's consumer-price index and the Conference Board's monthly leading economic-indicators index Thursday.

MONDAY: It's deadline day for filing your income taxes.

TUESDAY: President Hu Jintao of China lands at Paine Field and starts his two-day visit with a tour of Microsoft's campus. The state Employment Security Department releases jobs and unemployment data for March. The statewide jobless rate in February was 4.8 percent, up from January's 4.6 percent, but that was due mostly to more people seeking jobs.... Washington Mutual holds its annual shareholders meeting at 1:30 p.m. at Benaroya Hall and releases its first-quarter earnings after the market closes. Hear a webcast of the meeting or the 3 p.m. conference call to discuss the financial results at www.wamu.com/ir.

WEDNESDAY: President Hu delivers a major policy address at the Future of Flight Museum in Everett before departing for Washington, D.C.

THURSDAY: Alaska Airlines reports its first-quarter earnings before the market opens. A conference call will be webcast at 9:30 a.m. at www.alaskaair.com.

Insider trading

Recent transactions by top insiders at Northwest companies based on reports filed with regulators.

Sales

Company	Ticker	Insider	Title	\$ Value	Shares	Range of share values	Trade Dates
Barrett Business Serv.	BBSI	James Miller	O	\$379,800	15,000	\$25.32	March 22
Coeur d'Alene Mines	CDE	James Sabala	CFO	256,583	40,000	6.40-6.42	March 29
Coldwater Creek	CWTR	Dennis Pence	CEO	2,358,210	87,000	27.01-27.20	March 20
Columbia Sportswear	COLM	Sarah Bany	D	1,015,672	18,850	53.70-54.12	March 24-31
Columbia Sportswear	COLM	Sarah Bany	D	8,441,342	156,393	52.97-55.00	March 16-23
Costco Wholesale	COST	Richard Libenson	D	1,036,260	19,000	54.54	March 29
Flow International	FLOW	Jeffrey Feinberg	B	3,972,542	307,087	12.92-12.99	March 20
Flow International	FLOW	John Leness	GC	578,069	45,000	12.83-12.93	March 24-27
HouseValues	SOLD	Wm. Blair Capital Mgmt	B	2,682,685	309,761	8.31-8.78	March 17-24
Nasteck Pharm.	NSTK	John Pollock	D	178,599	10,000	17.86	March 29
Nike	NKE	Hans van Alebeek	O	432,736	5,000	86.27-87.26	March 24
Onyx Software	ONXS	Special Situations Funds	B	352,395	78,580	3.96-4.49	March 21-22
ZymoGenetics	ZGEN	Mark Young	O	1,149,761	52,000	21.97-22.40	March 27

Purchases

Company	Ticker	Insider	Title	\$ Value	Shares	Range of share values	Trade Dates
AVI Biopharma	AVII	Jack Bowman	D	\$31,800	5,000	\$6.36	March 17
Flow International	FLOW	Third Point	B	4,511,760	350,000	12.53-12.98	March 17-21
Nasteck Pharm.	NSTK	Leslie Michelson	D	84,381	5,000	16.85-16.88	March 22

B: Beneficial Owner. **C:** Contoller. **CB:** Chairman of the Board. **CEO:** Chief Executive Officer. **CFO:** Chief Financial Officer. **CO:** Chief Operating Officer. **CP:** Controlling Person. **CT:** Chief Technology Officer. **D:** Director. **DO:** Director and Beneficial Owner. **EC:** Member of the Executive Committee. **F:** Founder. **GC:** General Counsel. **O:** Officer. **OD:** Officer and Director. **P:** President. **UT:** Unknown.

Source: Thomson Financial

Mergers & Acquisitions

A roundup of recent transactions involving companies based in the Northwest.

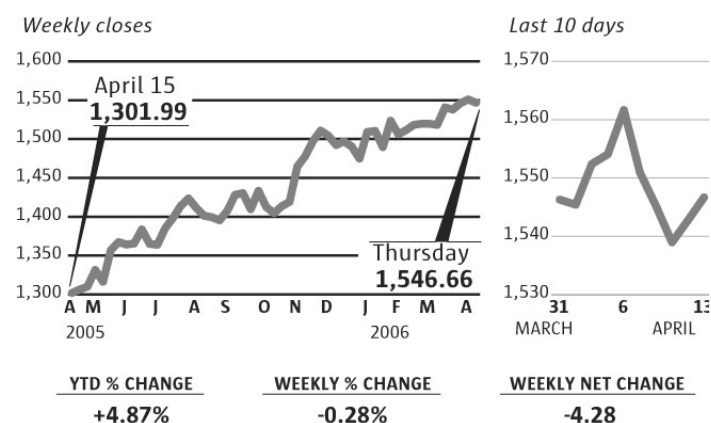
Deal makers	Value of deal	Dates
Getty Images, Seattle-based developer of visual content, announced the acquisition of Pixel Images Holdings, the parent company of Stockbyte and Stockdisc headquartered in Ireland.	\$135 million	Closed April 6
The Reader's Digest Association, Pleasantville, N.Y.-based publisher, announced an agreement to acquire the Seattle-based AllRecipes.com, an online community food and cooking Web site.	\$66 million	Closing June 30
Medio Systems, Seattle-based provider of mobile search, announced the acquisition of WebRelevance, the software and services developer for contextual advertising headquartered in Seattle.	Not available	Closed April 6
Microsoft, Redmond-based software company, acquired Surrey, U.K.-based video-game developer Lionhead Studios, and also ProClarity, a software company based in Boise, Idaho.	Not available	Closed April 6
Airgas, Radnor, Pa.-based distributor of industrial, medical and specialty gases, acquired Byrne Specialty Gases, a Seattle-based distributor of specialty gases and related equipment.	Not available	Closed April 3

Source: Bloomberg News

Financial Markets

The Seattle Times index

Woodinville-based Redhook Ale Brewery, which is expanding into the Midwest and East Coast, led the leaders while Jewett-Cameron, a Portland-area manufacturer of building materials, saw its stock price sag by a third.



Best performers

Stock	Close	% Chg
1 Redhook Ale	\$3.95	+12.2
2 Celebrate Express	13.28	+8.4
3 ZymoGenetics	21.19	+6.8
4 Eden Bioscience	0.80	+6.7
5 Loud Technologies	16.50	+6.5
6 drugstore.com	3.17	+6.4
7 RealNetworks	9.85	+6.4
8 NightHawk Radiology	22.91	+5.8
9 Saflink	0.82	+5.2
10 Gold Reserve	7.78	+5.1

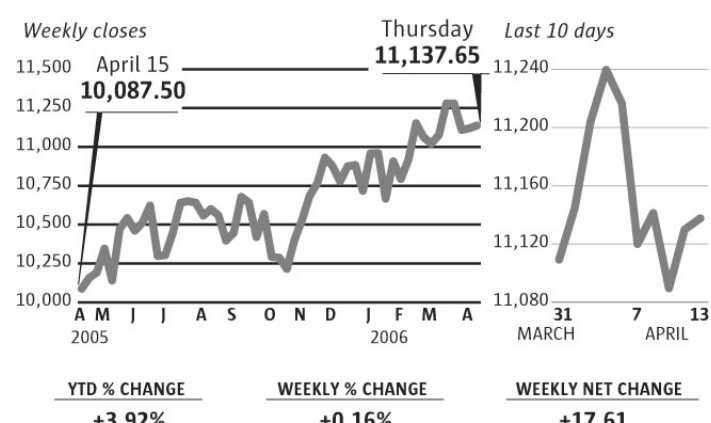
Worst performers

Stock	Close	% Chg
1 Jewett-Cameron	\$12.13	-33.5
2 Calypste Biomedical	0.19	-17.4
3 Cray	1.56	-14.3
4 Cascade Corp.	44.00	-13.1
5 Digimarc	6.79	-11.5
6 Schnitzer Steel	38.19	-9.5
7 PremierWest Bancorp	15.92	-9.4
8 Red Lion Hotels	11.90	-9.2
9 Microvision	3.18	-8.9
10 Will. Valley Vineyards	6.02	-8.4

Other local index: WM Group Last: 11,041.57 Weekly % Chg: -0.01
Source: The Seattle Times

Dow Jones industrial average

Stocks finished the short week mixed, with the Dow up and most other major indexes down. Hard-hit GM stock rallied, and Boeing soared on a jet order from China and a bullish profit forecast from a Morgan Stanley analyst.



Best performers

Stock	Close	% Chg
1 General Motors	\$20.40	+4.6
2 Boeing	82.93	+4.2
3 Alcoa	33.71	+3.7
4 Caterpillar	76.94	+2.7
5 Honeywell Int'l	43.41	+2.4
6 DuPont	43.30	+1.4
7 Walt Disney	27.88	+1.3
8 JPMorgan Chase	42.19	+1.2
9 Intel	19.45	+1.1
10 Citigroup	48.05	+0.8

Worst performers

Stock	Close	% Chg
1 Verizon Commun.	\$32.81	-2.9
2 Home Depot	41.12	-2.3
3 Hewlett-Packard	32.62	-2.2
4 AT&T	25.58	-2.2
5 Merck	33.94	-1.5
6 American Int'l Group	63.40	-1.5
7 Procter & Gamble	56.60	-1.2
8 Altria Group	69.00	-1.1
9 American Express	51.21	-0.9
10 United Technologies	57.14	-0.8

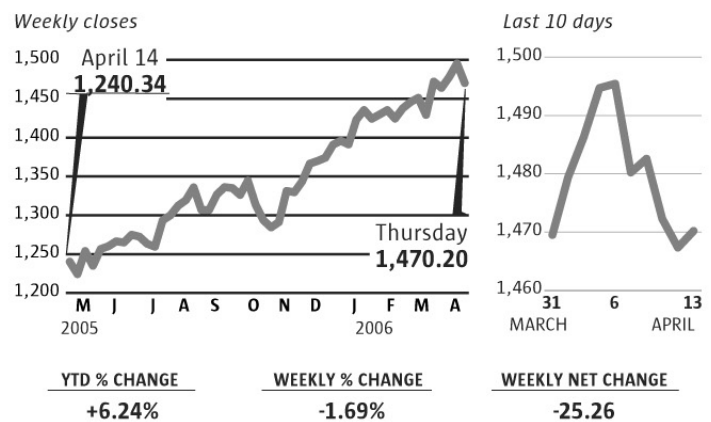
Other U.S. indexes

Index	Close	Weekly % Chg
Standard & Poor's 500	1,289.12	-0.5
NYSE composite	8,227.95	-0.5
Nasdaq composite	2,326.11	-0.6
Index	Close	Weekly % Chg
AMEX Composite	1,941.68	-0.7
Russell 2000	751.11	-0.7
Wilshire 5000	13,065.26	-0.6

Source: Bloomberg News

Standard & Poor's global 1200

In Asia, tech-company earnings helped Tokyo's Nikkei stop a three-day losing streak. Taiwan stocks hit a two-year high after the government said it may lift a ban on tourists from China. Most stock markets in Europe will be closed Monday.



Best performers

Stock (currency)	Close	Weekly % Chg
1 Circuit City Stores	\$27.41	+11.2
2 MTR	HK\$20.8	+10.1
3 Posco (won)	268500	+10.0
4 Sumitomo Chemical	¥1073	+8.3
5 Singapore Tech.	\$3.18	+7.8
6 Deere & Co	\$84.71	+6.4
7 Tenaris	€64.00	+6.2
8 National Oilwell	\$67.18	+6.2
9 Allied Waste	\$13.32	+6.0
10 Falconbridge	C\$44.30	+5.6

Worst performers

Stock (currency)	Close	Weekly % Chg
1 Bausch & Lomb	\$46.17	-19.9
2 Serono	\$820.00	-11.1
3 Ciena	\$4.32	-10.2
4 Centrais Eletric.(real)	52.80	-9.0
5 Acom	¥6860	-7.8
6 ADC Telecom	\$23.45	-7.4
7 Promise	¥7170	-7.0
8 JDS Uniphase	\$3.68	-6.8
9 Oji Paper	¥688	-6.5
10 Softbank	¥3220	-6.4

Other foreign indexes

Index	Close	Weekly % Chg
Japan	17,233.82	-1.9
Hong Kong	16,429.45	-0.3
London	6,029.40	+0.1
Mexico	19,322.62	-0.8
Index	Close	Weekly % Chg
Seoul	1,432.72	+2.2
Singapore	2,544.38	-0.3
Taipei	6,952.54	+2.5
Toronto	12,248.59	+0.1

Source: Bloomberg News