

Editor: Bryan Lantz, 508-862-1220
blantz@capecodonline.com
Fax: 508-771-3292

capecodonline.com/business

Catch up

Follow the Cape's commercial fishing industry online at www.capecodonline.com/fishing



MARKET RECAP



THURSDAY, APRIL 25, 2013

OIL

Wednesday's NYMEX settlement price:
▲ **JUNE OIL:** \$91.43 per barrel, up \$2.25

METALS

Wednesday's NYMEX settlement prices:
▲ **JUNE GOLD:** \$1,423.70 per ounce, up \$14.90
▲ **MAY SILVER:** \$22.833 per ounce, up 1.6 cents

BROWN OUT

FedEx agreed to a seven-year contract with the U.S. Postal Service valued at about \$10.5 billion to carry mail between U.S. airports, fending off a challenge from United Parcel Service. The new accord to fly Express Mail and Priority Mail for the Postal Service starts in October once the current deal ends, FedEx said Tuesday in a statement. The Memphis, Tenn.-based company didn't give details beyond the value and length of the agreement. The contract solidifies FedEx's business with the Postal Service and eases concern that it would lose some work to UPS as the U.S. mail carrier restructures after years of losses, according to Satish Jindel, president of SJ Consulting Group. FedEx operates the world's largest cargo airline. "It is going to provide a good support for their stock price, which has been declining," Jindel said. "Putting this out to bid, almost everyone expected that UPS would get at least 20 percent or 30 percent of the business." FedEx received about \$1.62 billion from the Postal Service in fiscal 2012, up about 8 percent from a year earlier, according to estimates compiled by Washington law firm Husch Blackwell LLP, which tracks postal contracting. UPS got \$126.4 million. UPS had said in July that it planned to fight FedEx for the postal contract.

HAIL STORM

Cabbies are squaring off against New York City officials asking the state's top court to allow them to expand taxi service. New York's state Court of Appeals heard arguments Wednesday over a law that would allow livery cabs to pick up passengers who hail them on streets in upper Manhattan and the other boroughs. Currently, only yellow cabs can do that. Government lawyers say the law addresses inequities in the ability to hail cabs across the city. Lawyers for cabbies argued that Mayor Michael Bloomberg did an end run around the city council. The state Legislature approved the "Street Hail Livery Law" several years ago. But a trial-level judge ruled that the plan violates the state constitution's home rule provisions.

BY THE NUMBERS



Median Cape price per pound, 1.25-pound lobster:



Median Cape price per pound, 2-pound lobster:



FROM STAFF & WIRE REPORTS



Matthew Cole, president and CEO of Cape Associates, learned that his company has won a Small Business Administration award for family-owned businesses the day before a memorial service for his father, who ran the company before him. "I think it honors his hard work" and the work of the entire staff, says Cole, shown at a job site in Orleans.

SMALL BUSINESS, BIG RECOGNITION

Cape Associates wins honors from the SBA

By ROBERT GOLD
rgold@capecodonline.com

When Cape Associates learned it had won the U.S. Small Business Administration's 2013 family-owned business of the year award for Massachusetts, it capped a month of expansion – and loss.

The company opened a new office – its third – in Chatham at the beginning of April. A short time later, the company was notified by the SBA of its award, partly because of Cape Associates' growth.

"We are a 42-year-old business and we are still growing," said Matthew Cole, the CEO and president of the building, painting, remodeling and property management company. The company also has offices in Yarmouthport and Eastham.

The timing of the award was poignant for the Cole family and Cape Associates.

Michael Cole, who was president of the company from 1986 through last year, died April 9 after a sudden illness. He sold the business this January to his son, Matthew, and daughters Lindsay and Casey. Lindsay and Casey work within the operations division of the company.

Matthew Cole said he opened the



Ryan Benoit, left, and foreman Tom Johnson work at a home being built by Cape Associates in Orleans. During the recession, Cape Associates kept its staff intact.

letter from the SBA announcing the honor the day before a memorial service for his father.

"I think it honors his hard work" and the hard work of the entire staff, Cole said. The company has 118 full-time, year-round employees.

The company will be honored in June by the SBA.

Bob Nelson, the SBA's district director for Massachusetts, said several companies were under consideration

see **AWARD**, page 9

Report signals slower growth

Demand for durable goods falls by the largest margin since August.

By JEFFRY BARTASH
MARKETWATCH

WASHINGTON – Orders for big-ticket items posted the biggest drop in March since last summer, mainly because of fewer jetliner orders, but the generally soft report added to mounting evidence that the U.S. economy has slowed again.

Orders for durable goods fell a seasonally adjusted 5.7 percent last month to mark the biggest drop since last August, the Commerce Department said Wednesday.

Economists surveyed by MarketWatch had expected a 3.2 percent decline.

Durable goods are products designed to last at least three years. These orders are critical component of U.S. growth since rising sales of autos, computers, furniture and so forth signal an improving economy.

The decline in orders is the latest in a string of reports that suggest the manufacturing sector cooled off a bit toward the end of the first quarter – along with the broader economy.

"There's clearly rising near-term caution in capital spending plans by businesses as fiscal tightening hits and global growth slows," economist Ted Wieseman of Morgan Stanley wrote in a research note.

As is often the case, a large swing in monthly orders for large and expensive commercial aircraft exaggerated the headline number on durable goods.

The commercial airline industry, which revolves around Boeing, recorded a 48 percent decline in new bookings. Industry giant Boeing accepted 39 orders for new aircraft in March, down from an unusually high 179 in February.

Orders for new autos and parts, a strong segment in the past few years, edged up 0.2 percent, but that was the smallest increase so far this year.

Excluding the volatile transportation sector, orders fell a smaller 1.4 percent, but the softness was widespread.

Only computers and communications equipment saw an increase in bookings, but those categories had slumped in the first two months of the quarter.

"It's psychological ... It's about the message that those figures send to consumers and small businesses."

— CARY COOPER, professor, Lancaster University Management School

Britain braces for possible economic 'triple dip'

UK growth data running perilously close to a third recession since 2008 crisis

By DANICA KIRKA
THE ASSOCIATED PRESS

LONDON – Recession may just be a word. But in Britain it may become a habit – and a dangerous one at that.

It's possible that official figures on first quarter economic growth, to be released Thursday, could show the country is back in recession, and tension is building.

Although economists on average expect growth of 0.1 percent on the quarter, they warn it would take the smallest statistical variation to put the figure in negative territory. That would place the country in recession, typically defined as two consecutive quarters of economic contraction.

Another recession – the third since the 2008 financial crisis – is already being referred to with foreboding in the media as a "Triple Dip." Experts warn that its confirmation would create a wave of negative media attention that would scare consumers away from spending, feeding into a vicious cycle that has the economy flat-lining.

"It's psychological – this is all psychological," said Cary Cooper, a professor at Lancaster University Management School. "It's about the message that those figures send to consumers and small businesses."

The government desperately wants

see **BRITAIN**, page 9



A food bank volunteer delivers bags of food at St. Luke's Church in the West Norwood area of south London.