

Stock Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
Dow Jones Industrial Avg. (10,618)	1.91%	1.91%	25.34%	22.68%	2.65%
S&P 500 (1,145)	2.74%	2.74%	28.89%	26.47%	1.39%
NASDAQ 100 (1,893)	1.74%	1.74%	52.18%	54.63%	4.41%
S&P 500/Citigroup Growth	2.00%	2.00%	31.93%	31.58%	2.34%
S&P 500/Citigroup Value	3.48%	3.48%	25.63%	21.17%	0.35%
S&P MidCap 400/Citigroup Growth	3.37%	3.37%	43.39%	41.23%	5.35%
S&P MidCap 400/Citigroup Value	3.66%	3.66%	37.41%	33.77%	4.51%
S&P SmallCap 600/Citigroup Growth	2.47%	2.47%	32.23%	28.34%	3.56%
S&P SmallCap 600/Citigroup Value	2.87%	2.87%	27.77%	22.86%	2.72%
MSCI EAFE	2.34%	2.34%	31.29%	31.78%	4.58%
MSCI World (ex US)	2.47%	2.47%	40.86%	41.45%	7.00%
MSCI World	2.57%	2.57%	30.68%	29.99%	3.05%
MSCI Emerging Markets	2.73%	2.73%	79.75%	78.51%	17.13%

Source: Bloomberg. Returns are total returns. The 5-yr. return is an average annual. One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 01/08/10.

S&P Sector Performance

Index	Week	YTD	12-mo.	2009	5-yr
Consumer Discretionary	1.97%	1.97%	39.62%	41.33%	-1.02%
Consumer Staples	0.22%	0.22%	17.42%	14.89%	5.68%
Energy	5.01%	5.01%	15.64%	13.86%	12.04%
Financials	5.87%	5.87%	29.64%	17.24%	-10.22%
Health Care	1.99%	1.99%	22.84%	19.70%	3.24%
Industrials	5.18%	5.18%	25.18%	20.93%	0.37%
Information Technology	1.03%	1.03%	56.39%	61.72%	4.10%
Materials	5.52%	5.52%	49.26%	48.57%	6.09%
Telecom Services	-1.36%	-1.36%	9.38%	8.93%	1.90%
Utilities	-1.07%	-1.07%	9.72%	11.91%	6.46%

Source: Bloomberg. Returns are total returns. The 5-yr. return is an average annual. One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 01/08/10.

Bond Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
U.S. Treasury: Intermediate	0.44%	0.44%	-0.61%	-1.41%	4.81%
GNMA 30 Year	0.40%	0.40%	4.72%	5.37%	5.70%
U.S. Aggregate	0.52%	0.52%	6.24%	5.93%	5.12%
U.S. Corporate High Yield	2.04%	2.03%	52.12%	58.21%	6.90%
U.S. Corporate Investment Grade	0.85%	0.85%	18.62%	18.68%	4.81%
Municipal Bond: Long Bond (22+)	0.43%	0.43%	19.74%	23.43%	3.88%
Global Aggregate	0.33%	0.33%	7.70%	6.93%	5.03%

Source: Barclays Capital. Returns are total returns. The 5-yr. return is an average annual. One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 01/08/10.

Key Rates

As of 01/08

Fed Funds	0.00-0.25%	5-yr CD	2.85%
LIBOR (1-month)	0.23%	2-yr T-Note	0.96%
CPI - Headline	1.80%	5-yr T-Note	2.58%
CPI - Core	1.70%	10-yr T-Note	3.83%
Money Market Accts.	0.95%	30-yr T-Bond	4.71%
Money Market Funds	0.03%	30-yr Mortgage	5.29%
6-mo. CD	1.12%	Prime Rate	3.25%
1-yr CD	1.59%	Bond Buyer 40	5.39%

Sources: Bankrate.com, iMoneyNet.com and Bloomberg.

Market Indicators

As of 01/08

TED Spread	21 bps
Investment Grade Spread (A2)	182 bps
ML High Yield Master II Index Spread	604 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 12/29/09

Estimated Flows to Long-Term Mutual Funds				
	Current Week		Previous	
Domestic Equity	-\$1.420	Billion	\$801	Million
Foreign Equity	\$225	Million	\$2.297	Billion
Taxable Bond	\$3.438	Billion	\$7.116	Billion
Municipal Bond	\$802	Million	\$1.033	Billion
Change in Money Market Fund Assets				
	Current Week		Previous	
Retail	\$2.42	Billion	-\$2.88	Billion
Institutional	\$11.82	Billion	\$24.61	Billion

Source: Investment Company Institute

Factoids for the week of January 4th – 8th

Monday, January 4, 2010

The Q4'09 edition of the *Investment Manager Outlook* (released December 16), a survey of investment managers conducted by Russell Investment Group, found that nearly 80% of those money managers polled expect the U.S. equity market will rise over the next 12 months. Managers are most bullish on the following: U.S. Large-Cap Growth (72%); Emerging Market Equities (69%); Non-U.S. (Developed Market) Equities (66%); U.S. Mid-Cap Growth (59%); and U.S. Small-Cap Growth (54%). The sectors managers are most bullish on are Technology (82%), Energy (64%) and Materials and Processing (58%).

Tuesday, January 5, 2009

In December, the dividend-payers (363) in the S&P 500 (equal weight) posted a total return of 3.88%, vs. 7.26% for the non-payers (137), according to Standard & Poor's. In 2009, the payers were up 26.18%, vs. a gain of 65.32% for the non-payers. The number of dividend increases in 2009 totaled 151. That significantly lagged the 236 increases registered in 2008. The number of companies that decreased their dividend totaled 68, up from 40 a year ago. Ten companies suspended their dividend payments, down from 22 a year ago.

Wednesday, January 6, 2010

Bloomberg surveyed strategists from Wall Street's largest firms and found the average 2010 price target for the S&P 500 is 1225, according to Bespoke Investment Group. If accurate, that target would represent a gain of 9.82%. The most optimistic strategist (1325 for an 18.82% gain) is Deutsche Bank's Binky Chadha. The least optimistic (1120 for a gain of 0.44%) is Barry Knapp from Barclays Capital.

Thursday, January 7, 2010

U.S. tax collections declined the most in 46 years in the first three quarters of 2009, according to data from the Nelson A Rockefeller Institute of Government. Revenue was down \$80 billion, or 13.3%, compared to the same period in 2008. Tax collections totaled \$523 billion. States are facing a combined deficit of \$193 billion in the current fiscal year.

Friday, January 8, 2010

Approximately 7,000 publicly owned companies report dividend information to Standard & Poor's Dividend Record. In Q4'09, 74 companies decreased their dividend distributions – a significant improvement over the 288 cuts in Q4'08, according to S&P. The number of companies that increased their dividend payouts totaled 484 – slightly better than the 475 increases registered in Q4'08. In 2009, dividend cuts cost investors over \$58 billion in income, according to Howard Silverblatt, Senior Index Analyst at S&P. Silverblatt believes the dividend recovery will be slow and that it will take until 2012-2013 to return to the levels reached in 2007-2008.