Stock Index Performance

Index	Week	YTD	12-mo.	2012	5-yr.
Dow Jones Industrial Avg. (15,237)	1.13%	18.56%	17.36%	10.24%	15.70%
S&P 500 (1,703)	0.81%	21.44%	21.52%	16.00%	16.16%
NASDAQ 100 (3,234)	-0.26%	22.85%	20.91%	18.35%	21.85%
S&P 500 Growth	0.40%	20.65%	19.47%	14.71%	17.68%
S&P 500 Value	1.25%	22.29%	23.91%	17.77%	14.56%
S&P MidCap 400 Growth	0.00%	23.66%	28.56%	17.62%	21.11%
S&P MidCap 400 Value	0.96%	26.28%	31.93%	19.10%	18.64%
S&P SmallCap 600 Growth	0.91%	31.19%	35.22%	15.27%	19.27%
S&P SmallCap 600 Value	1.48%	29.49%	34.49%	18.88%	17.40%
MSCI EAFE	0.63%	16.78%	24.18%	17.32%	11.91%
MSCI World (ex US)	0.82%	11.34%	17.83%	16.83%	12.27%
MSCI World	0.66%	18.38%	21.52%	15.83%	13.81%
MSCI Emerging Markets	1.55%	-0.85%	5.33%	18.22%	14.30%

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 10/11/13.

S&P Sector Performance

Index	Week	YTD	12-mo.	2012	5-yr.
Consumer Discretionary	-0.39%	29.47%	33.76%	24.14%	25.65%
Consumer Staples	1.78%	18.26%	16.30%	11.08%	15.34%
Energy	0.74%	17.21%	14.76%	4.64%	15.05%
Financials	1.30%	25.49%	29.29%	28.92%	8.75%
Health Care	0.04%	30.11%	29.38%	17.89%	18.55%
Industrials	1.34%	25.21%	30.23%	15.42%	16.03%
Information Technology	0.59%	14.68%	11.69%	14.82%	17.53%
Materials	0.02%	14.98%	18.98%	15.24%	14.37%
Telecom Services	2.27%	8.14%	3.01%	18.31%	16.56%
Utilities	2.59%	12.39%	8.29%	1.31%	13.11%

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 10/11/13.

Bond Index Performance

Index	Week	YTD	12-mo.	2012	5-yr.
U.S. Treasury: Intermediate	-0.04%	-0.98%	-0.86%	1.71%	3.35%
GNMA 30 Year	-0.08%	-1.80%	-1.83%	2.44%	5.18%
U.S. Aggregate	0.02%	-1.93%	-1.80%	4.21%	5.68%
U.S. Corporate High Yield	0.34%	4.53%	7.29%	15.81%	17.17%
U.S. Corporate Investment Grade	0.21%	-2.36%	-2.06%	9.82%	10.17%
Municipal Bond: Long Bond (22+)	-0.71%	-6.82%	-5.90%	11.26%	8.79%
Global Aggregate	-0.33%	-2.19%	-2.69%	4.32%	5.35%

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 10/11/13.

Key Rates

As of 10/11/13

Fed Funds	0.00-0.25%	5-yr CD	1.34%
LIBOR (1-month)	0.17%	2-yr T-Note	0.35%
CPI - Headline	1.50%	5-yr T-Note	1.42%
CPI - Core	1.80%	10-yr T-Note	2.69%
Money Market Accts.	0.45%	30-yr T-Bond	3.74%
Money Market Funds	0.01%	30-yr Mortgage	4.28%
6-mo CD	0.40%	Prime Rate	3.25%
1-yr CD	0.66%	Bond Buyer 40	5.17%

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

Market Indicators

As of 10/11/13

TED Spread	18 bps
Investment Grade Spread (A2)	182 bps
ML High Yield Master II Index Spread	462 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 10/2/13

	Current Week		Previous	
Domestic Equity	-$4.126	Billion	-$3.775	Billion
Foreign Equity	$739	Million	$196	Million
Taxable Bond	$468	Million	$1.577	Billion
Municipal Bond	-$868	Million	-$289	Million

Change in Money Market Fund Assets for the Week Ended 10/9/13

	Current Week		Previous	
Retail	$1.78	Billion	$3.07	Billion
Institutional	-$21.56	Billion	-$11.59	Billion

Source: Investment Company Institute.

Factoids for the week of October 7 - 11, 2013

Monday, October 7, 2013

Small banking institutions, particularly those with assets approaching $10 billion or slightly over, are merging at a brisk pace in an effort to more easily absorb the compliance costs associated with implementing the new regulations imposed by the Dodd-Frank Wall Street Reform and Consumer Protection Act, according to *Bloomberg Businessweek*. Banks with less than $10 billion in assets are exempt from some of the rules that banks with $10 billion to $50 billion must comply with, such as an annual stress test. In the first nine months of 2013, around 55 banks with assets below $10 billion have made acquisitions, the most since 2007, when 62 deals were made, according to data from Bloomberg.

Tuesday, October 8, 2013

Chandan Economics reported that 71% of national and regional banks with significant commercial real estate exposure increased net lending in the last year, according to REIT.com. In Q2'13, banks' net exposure to commercial real estate loans increased by $18 billion, the second-best showing since 2008. Sam Chandan, president and chief economist at Chandan Economics, said that survey data his firm and the Real Estate Lenders Association have collected indicates that the number of lenders planning to increase their loan commitments in the next 12 months far exceeds those who plan to lower them. In the first nine months of 2013, the FTSE NAREIT Mortgage REITs Index posted a total return of -2.11%. The two sectors that comprise the index, home financing and commercial financing, have moved in opposite directions. While home financing mortgage REITs have declined by 7.57% so far this year, commercial financing mortgage REITs have surged by 21.57%.

Wednesday, October 9, 2013

Moody's reported that the global speculative-grade default rate stood at 2.8% in September, down slightly from 2.9% in August, according to its own release. The rate stood at 3.0% a year ago. Moody's is forecasting a default rate of 3.0% for December 2013. It sees it falling to 2.7% by September 2014. The historical average for the default rate on speculative-grade debt has been approximately 4.7% since 1983. The U.S. speculative-grade default rate stood at 2.6% in September, down from 2.8% in August. The rate stood at 3.5% a year ago. The default rate on senior loans stood at 1.78% in September, up from 1.63% in August, according to Standard & Poor's LCD. Year-to-date through August, open-end high yield bond funds reported net outflows totaling $7.57 billion, according to Morningstar. Bank loan funds (senior loans) reported net inflows totaling $46.16 billion.

Thursday, October 10, 2013

Worldwide PC shipments totaled 81.6 million units in Q3'13, down 7.6% (y-o-y), according to International Data Corporation (IDC). While not a good showing, the result was actually better than the 9.5% projected decline for Q3'13. Shipments within the U.S. were stronger than many other regions, but growth was essentially flat for the quarter. Rajani Singh, Senior Research Analyst at IDC's *Personal Computers*, sees the potential for a small increase in shipments in Q4'13, but expects a challenging 2014. Year-to-date through 10/9, the S&P 500 Computers & Peripherals Index posted a total return of 0.66%, compared to a gain of 11.81% for the broader S&P 500 Information Technology Index.

Friday, October 11, 2013

The U.S. Energy Information Administration (EIA) estimates that approximately 50% of U.S. households use natural gas as their primary heating fuel, according to MarketWatch.com. The EIA estimates that, on average, households will spend 13% more this winter to heat their residences than last year. Those that use propane, which is around 5% of U.S. households, can expect to pay 9% to 11% more this winter. Heating oil, which is primarily used in the Northeast, is expected to be 2% cheaper than last year.