Stock Index Performance

Index	Week	YTD	12-mo.	2012	5-yr.
Dow Jones Industrial Avg. (15,464)	2.22%	19.59%	26.30%	10.24%	9.91%
S&P 500 (1,680)	3.01%	19.17%	28.85%	16.00%	8.70%
NASDAQ 100 (3,079)	3.93%	16.57%	23.03%	18.35%	12.35%
S&P 500 Growth	3.12%	17.67%	24.47%	14.71%	9.34%
S&P 500 Value	2.89%	20.77%	34.05%	17.77%	8.09%
S&P MidCap 400 Growth	3.11%	19.44%	32.39%	17.62%	10.96%
S&P MidCap 400 Value	2.89%	21.86%	35.42%	19.10%	11.01%
S&P SmallCap 600 Growth	2.55%	22.84%	31.96%	15.27%	12.16%
S&P SmallCap 600 Value	3.02%	23.78%	37.27%	18.88%	12.06%
MSCI EAFE	3.84%	8.71%	27.25%	17.32%	1.19%
MSCI World (ex US)	3.74%	3.56%	20.77%	16.83%	0.84%
MSCI World	3.42%	13.37%	26.83%	15.83%	4.46%
MSCI Emerging Markets	3.07%	-8.96%	5.98%	18.22%	0.51%

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 7/12/13.

S&P Sector Performance

Index	Week	YTD	12-mo.	2012	5-yr.
Consumer Discretionary	3.44%	26.92%	42.14%	24.14%	19.62%
Consumer Staples	3.62%	20.33%	22.43%	11.08%	12.46%
Energy	2.53%	14.69%	24.57%	4.64%	2.08%
Financials	2.72%	25.22%	45.23%	28.92%	3.76%
Health Care	3.55%	26.21%	35.17%	17.89%	12.40%
Industrials	2.68%	18.52%	32.81%	15.42%	8.08%
Information Technology	2.65%	11.51%	17.08%	14.82%	9.40%
Materials	3.46%	7.86%	20.59%	15.24%	2.90%
Telecom Services	0.78%	12.92%	14.47%	18.31%	9.66%
Utilities	4.71%	12.83%	8.97%	1.31%	3.50%

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 7/12/13.

Bond Index Performance

Index	Week	YTD	12-mo.	2012	5-yr.
U.S. Treasury: Intermediate	0.48%	-1.41%	-1.23%	1.71%	3.77%
GNMA 30 Year	1.15%	-3.42%	-3.29%	2.44%	4.85%
U.S. Aggregate	0.77%	-2.71%	-1.88%	4.21%	5.08%
U.S. Corporate High Yield	1.28%	2.67%	10.03%	15.81%	11.56%
U.S. Corporate Investment Grade	1.16%	-3.17%	0.00%	9.82%	7.38%
Municipal Bond: Long Bond (22+)	-0.32%	-5.00%	-2.07%	11.26%	5.41%
Global Aggregate	1.49%	-4.52%	-1.82%	4.32%	3.55%

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 7/12/13.

Key Rates

As of 7/12/13

Fed Funds	0.00-0.25%	5-yr CD	1.25%
LIBOR (1-month)	0.19%	2-yr T-Note	0.35%
CPI - Headline	1.40%	5-yr T-Note	1.42%
CPI - Core	1.70%	10-yr T-Note	2.59%
Money Market Accts.	0.46%	30-yr T-Bond	3.63%
Money Market Funds	0.01%	30-yr Mortgage	4.48%
6-mo CD	0.39%	Prime Rate	3.25%
1-yr CD	0.58%	Bond Buyer 40	4.85%

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

Market Indicators

As of 7/12/13

TED Spread	23 bps
Investment Grade Spread (A2)	187 bps
ML High Yield Master II Index Spread	480 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 7/2/13

	Current Week		Previous	
Domestic Equity	-$2.078	Billion	-$962	Million
Foreign Equity	$2.307	Billion	$1.132	Billion
Taxable Bond	-$5.051	Billion	-$20.446	Billion
Municipal Bond	-$920	Million	-$7.676	Billion

Change in Money Market Fund Assets for the Week Ended 7/10/13

	Current Week		Previous	
Retail	-$0.94	Billion	$4.92	Billion
Institutional	$24.76	Billion	-$3.21	Billion

Source: Investment Company Institute.

Factoids for the week of July 8 - 12, 2013

Monday, July 8, 2013

Some on Wall Street are referring to the recent rise in interest rates as a “wake-up call,” according to the *Los Angeles Times*. The bull market in bonds spanned some 30 years. Over the past 14 years, the average taxable bond fund posted a positive total return every year except 2008. The average taxable bond fund is down 1.9% through the first half of 2013, according to data from Morningstar. A lot of capital is at stake. Total U.S. bond mutual fund assets surged from $1.16 trillion in 2003 to $3.47 trillion in 2013.

Tuesday, July 9, 2013

The American Bankers Association just reported that delinquencies on bank-issued credit cards stood at 2.41% in Q1’13, the lowest level since 1990, according to CNNMoney.com. Payments are considered delinquent when they are 30 days or more overdue. The record high for delinquencies was set in 2009 at 5.01%. The 15-year average is 3.87%. Delinquencies in 10 other lending categories, including car and home equity loans, also fell in Q1’13.

Wednesday, July 10, 2013

The *Financial Times* reported that a record 117 ETFs closed in the first half of 2013, according to ETFTrends.com. Of the 5,000 exchange traded products on the global market, over 60% have less than $100 million in assets. A survey from Ignites.com found that 53% of the financial professionals it surveyed believe the closures are a simple correction. They view the closures as a “speed bump” and believe the ETF market will continue to grow and challenge mutual funds for assets. U.S.-listed ETFs experienced outflows of nearly $12 billion in June, which snapped a 16-month streak of consecutive monthly inflows, according to Dow Jones Newswires.

Thursday, July 11, 2013

Moody's reported that the global speculative-grade default rate stood at 2.8% in June, no change from May, according to its own release. Moody's is forecasting a default rate of 3.2% for December 2013. The rate stood at 3.1% a year ago. 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 2.9% in June, no change from May. The rate stood at 3.3% a year ago. The default rate on senior loans stood at 1.49% in June, down slightly from 1.50% in May, according to Standard & Poor's LCD. Leveraged loan managers expect the default rate to be in the vicinity of 1.8% in December. The historical average is 3.3%.

Friday, July 12, 2013

The technology companies in the S&P 500 distributed $10.8 billion in dividends in the most recent quarter, up from $5.1 billion for the same period in 2010, according to Bloomberg. Currently, only 36 of the 70 technology companies in the S&P 500 pay a dividend to shareholders. As of 7/10/13, these 36 technology companies were contributing 15.53% of the total dividends distributed by the S&P 500, according to S&P Dow Jones Indices. That is the most of any of the 10 major sectors. The next closest is the financial sector at 13.75%. Markit Dividend Research released a report saying that it expects S&P 500 dividends to increase by $9 billion in Q3’13, up 13% from Q3’12, according to *Barron’s*. And 25% of that increase will come from the technology sector.