Stock Index Performance

Index	Week	YTD	12-mo.	2012	5-yr.
Dow Jones Industrial Avg. (15,658)	0.65%	21.17%	24.85%	10.24%	9.74%
S&P 500 (1,710)	1.10%	21.33%	28.08%	16.00%	8.67%
NASDAQ 100 (3,144)	2.20%	19.03%	21.77%	18.35%	12.62%
S&P 500 Growth	1.17%	19.46%	23.44%	14.71%	9.70%
S&P 500 Value	1.03%	23.32%	33.56%	17.77%	7.61%
S&P MidCap 400 Growth	2.48%	22.45%	35.04%	17.62%	11.37%
S&P MidCap 400 Value	1.74%	25.28%	39.83%	19.10%	10.71%
S&P SmallCap 600 Growth	1.76%	25.86%	36.43%	15.27%	11.49%
S&P SmallCap 600 Value	0.69%	25.79%	42.34%	18.88%	10.86%
MSCI EAFE	1.42%	12.05%	28.12%	17.32%	1.83%
MSCI World (ex US)	0.81%	6.21%	20.64%	16.83%	1.45%
MSCI World	1.19%	16.11%	26.93%	15.83%	4.85%
MSCI Emerging Markets	-0.61%	-7.85%	3.61%	18.22%	0.95%

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 8/2/13.

S&P Sector Performance

Index	Week	YTD	12-mo.	2012	5-yr.
Consumer Discretionary	2.03%	29.00%	42.39%	24.14%	18.58%
Consumer Staples	0.46%	21.13%	21.79%	11.08%	12.10%
Energy	-0.23%	16.02%	20.72%	4.64%	3.96%
Financials	0.89%	28.06%	46.72%	28.92%	1.16%
Health Care	0.46%	29.92%	37.87%	17.89%	12.53%
Industrials	2.17%	22.59%	32.66%	15.42%	8.16%
Information Technology	2.00%	12.65%	13.96%	14.82%	9.48%
Materials	1.31%	10.23%	21.92%	15.24%	3.57%
Telecom Services	-0.50%	12.23%	7.83%	18.31%	10.48%
Utilities	0.57%	15.50%	10.28%	1.31%	5.91%

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 8/2/13.

Bond Index Performance

Index	Week	YTD	12-mo.	2012	5-yr.
U.S. Treasury: Intermediate	0.00%	-1.11%	-1.08%	1.71%	3.75%
GNMA 30 Year	0.02%	-2.85%	-3.00%	2.44%	5.04%
U.S. Aggregate	-0.09%	-2.30%	-1.95%	4.21%	5.21%
U.S. Corporate High Yield	-0.19%	3.20%	9.16%	15.81%	11.72%
U.S. Corporate Investment Grade	-0.19%	-2.62%	-0.84%	9.82%	7.59%
Municipal Bond: Long Bond (22+)	-0.28%	-6.71%	-4.84%	11.26%	5.53%
Global Aggregate	-0.20%	-3.67%	-1.77%	4.32%	3.90%

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 8/2/13.

Key Rates

As of 8/2/13

Fed Funds	0.00-0.25%	5-yr CD	1.26%
LIBOR (1-month)	0.19%	2-yr T-Note	0.30%
CPI - Headline	1.80%	5-yr T-Note	1.36%
CPI - Core	1.60%	10-yr T-Note	2.60%
Money Market Accts.	0.46%	30-yr T-Bond	3.69%
Money Market Funds	0.01%	30-yr Mortgage	4.38%
6-mo CD	0.39%	Prime Rate	3.25%
1-yr CD	0.58%	Bond Buyer 40	5.08%

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

Market Indicators

As of 8/2/13

TED Spread	22 bps
Investment Grade Spread (A2)	179 bps
ML High Yield Master II Index Spread	474 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 7/24/13

	Current Week		Previous	
Domestic Equity	$2.724	Billion	$2.461	Billion
Foreign Equity	$1.444	Billion	$1.381	Billion
Taxable Bond	$4.079	Billion	-$1.037	Billion
Municipal Bond	-$2.012	Billion	-$2.456	Billion

Change in Money Market Fund Assets for the Week Ended 7/31/13

	Current Week		Previous	
Retail	-$1.54	Billion	-$6.01	Billion
Institutional	-$8.11	Billion	-$3.79	Billion

Source: Investment Company Institute.

Factoids for the week of July 29 – August 2, 2013

Monday, July 29, 2013

A Harvard study ("State of the Nation's Housing") reported that demand for rentals expanded for the eighth consecutive year in 2012, according to the *Los Angeles Times*. The study found there is an "unprecedented strength of rental demand." The number of renters increased by more than 1.1 million in 2012. The national vacancy rate stood at 8.7% last year, down from 10.6% in 2009, according to Harvard's study. The median asking rent for vacant units in the U.S. reached a record high of $720 a month, according to the Census Bureau's Housing Vacancy Study. In Q3'12, newly constructed apartments (unsubsidized) carried a typical asking rent of $1,185. Using the standard 30% of income rule to determine affordability, a suitable candidate would need an annual income of more than $47,000.

Tuesday, July 30, 2013

Savita Subramanian, equity and quant strategist at BofA Merrill Lynch, noted recently that investors have been tough on companies falling short of their earnings and revenue estimates, according to MarketWatch.com. Five days after reporting, companies that missed on both their earnings and revenue targets (current reporting season) saw their stocks trade down by an average of 5.0%, double the historical average decline of 2.5%. On the flipside, companies that managed to beat both targets saw their stocks appreciate by an average of 2.3%, above the historical average of 2.0%.

Wednesday, July 31, 2013

A survey conducted in July by the Association for Financial Professionals targeting companies with $1.5 billion in median annual revenues found that chief financial officers (CFOs) and treasurers are hoarding "increasing amounts" of cash on the chance the Federal Reserve may taper its bond-buying stimulus initiative sooner than previously thought, according to The Wall Street Journal. Cash holdings for the nonfinancial companies in the S&P 500 totaled $1.093 trillion in Q1'13, according to CNBC.com. The technology sector, by far, held the most cash. Technology companies accounted for 41% of the index's total cash holdings.

Thursday, August 1, 2013

In July, the dividend-payers (411) in the S&P 500 (equal weight) posted a total return of 5.37%, vs. 6.07% for the non-payers (89), according to Standard & Poor's. Y-T-D, the payers were up 21.33%, vs. a gain of 27.58% for the non-payers. For the 12-month period ended July, payers were up 30.73%, vs. a gain of 42.26% for the non-payers. The number of dividend increases y-t-d through July totaled 252, up from 221 at this point a year ago. Eleven dividends were cut, compared to five at this point a year ago. In the first half of 2013, net cash inflows to Equity Income mutual funds and Equity Income ETFs totaled approximately $7.7 billion and $5.6 billion, respectively, according to data from Lipper.

Friday, August 2, 2013

Artificially low interest rates overwhelmed the S&P 500's 15.98% total return in 2012 as the level of pension underfunding by S&P 500 companies rose to another record-high, according to S&P Dow Jones Indices. Estimated pension return rates declined for the 12th consecutive year, falling to 7.31% in 2012. Discount rates declined for the fourth consecutive year, down 78 basis points to 3.93%. As the discount rate falls projected obligations rise. Companies currently have 77¢ for each dollar they owe in pensions and only 22¢ for each dollar of OPEB (Other Post Employment Benefits), according to Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices. In dollar terms, S&P 500 companies' pension plans and OPEB obligations are underfunded by a total of $686.6 billion ($451.7 billion/pensions and $234.9 billion/OPEB).