

Stock Index Performance

Index	Week	YTD	12-mo.	2008	5-yr
Dow Jones Industrial Avg. (10,471)	0.89%	23.15%	26.27%	-31.92%	2.50%
S&P 500 (1,106)	0.09%	25.39%	29.83%	-36.99%	0.66%
NASDAQ 100 (1,792)	0.02%	48.94%	52.88%	-41.57%	2.76%
S&P 500/Citigroup Growth	0.03%	29.67%	33.54%	-34.91%	1.55%
S&P 500/Citigroup Value	0.16%	20.89%	25.97%	-39.19%	-0.32%
S&P MidCap 400/Citigroup Growth	0.69%	37.12%	48.31%	-37.58%	3.86%
S&P MidCap 400/Citigroup Value	0.48%	29.62%	42.99%	-34.78%	2.89%
S&P SmallCap 600/Citigroup Growth	0.06%	21.37%	32.64%	-32.84%	1.56%
S&P SmallCap 600/Citigroup Value	-0.18%	17.99%	33.17%	-29.50%	0.58%
MSCI EAFE	-2.33%	30.24%	33.31%	-43.07%	4.39%
MSCI World (ex US)	-1.95%	39.40%	42.41%	-43.26%	6.69%
MSCI World	-1.12%	28.47%	32.60%	-40.39%	2.51%
MSCI Emerging Markets	-1.02%	75.38%	75.05%	-53.49%	16.80%

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 12/11/09.

S&P Sector Performance

Index	Week	YTD	12-mo.	2008	5-yr
Consumer Discretionary	2.01%	40.25%	44.85%	-33.49%	-1.51%
Consumer Staples	-0.15%	16.27%	20.74%	-15.44%	6.23%
Energy	-0.92%	12.10%	10.61%	-34.89%	10.39%
Financials	-1.58%	16.75%	24.75%	-55.23%	-11.14%
Health Care	0.90%	19.58%	27.42%	-22.80%	3.10%
Industrials	-0.05%	21.84%	28.55%	-39.92%	-0.78%
Information Technology	-0.22%	55.76%	58.81%	-43.14%	2.69%
Materials	-0.47%	45.35%	46.10%	-45.64%	4.45%
Telecom Services	2.16%	9.39%	12.99%	-30.47%	2.09%
Utilities	3.73%	13.31%	16.32%	-28.99%	7.13%

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 12/11/09.

Bond Index Performance

Index	Week	YTD	12-mo.	2008	5-yr
U.S. Treasury: Intermediate	0.03%	-0.23%	0.48%	11.35%	4.88%
GNMA 30 Year	0.13%	6.48%	7.37%	7.87%	5.85%
U.S. Aggregate	0.14%	6.84%	8.90%	5.24%	5.14%
U.S. Corporate High Yield	0.80%	55.55%	70.51%	-26.16%	6.22%
U.S. Corporate Investment Grade	0.44%	18.96%	24.46%	-4.94%	4.63%
Municipal Bond: Long Bond (22+)	0.51%	23.27%	33.02%	-14.68%	3.96%
Global Aggregate	-0.62%	8.83%	12.50%	4.79%	5.23%

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 12/11/09.

Key Rates

As of 12/11

Fed Funds	0.00-0.25%	5-yr CD	2.97%
LIBOR (1-month)	0.23%	2-yr T-Note	0.80%
CPI - Headline	-0.20%	5-yr T-Note	2.24%
CPI - Core	1.70%	10-yr T-Note	3.54%
Money Market Accts.	0.93%	30-yr T-Bond	4.49%
Money Market Funds	0.04%	30-yr Mortgage	5.04%
6-mo. CD	1.22%	Prime Rate	3.25%
1-yr CD	1.70%	Bond Buyer 40	5.36%

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

Market Indicators

As of 12/11

TED Spread	22 bps
Investment Grade Spread (A2)	217 bps
ML High Yield Master II Index Spread	711 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 12/02/09

Estimated Flows to Long-Term Mutual Funds

	Current Week	Previous
Domestic Equity	-\$3.259 Billion	-\$2.354 Billion
Foreign Equity	\$991 Million	\$994 Million
Taxable Bond	\$8.263 Billion	\$7.168 Billion
Municipal Bond	\$1.325 Billion	\$1.053 Billion

Change in Money Market Fund Assets

	Current Week	Previous
Retail	-\$5.91 Billion	-\$3.97 Billion
Institutional	\$5.55 Billion	-\$4.39 Billion

Source: Investment Company Institute

Factoids for the week of December 7th – 11th

Monday, December 7, 2009

First American CoreLogic data shows that just 2.94% of home-equity loans have defaulted, compared to 5.96% of traditional mortgages, according to *BusinessWeek*. FDIC data shows that \$21 billion in home-equity credit lines are past due. Analysts see defaults rising. If so, banks will have to write down said losses. Home-equity lenders' claims are secondary to first-mortgage lenders when a foreclosure occurs. During the most recent boom in residential real estate, recovery rates on home-equity lines that went bad averaged nearly 40%, according to mortgage-servicer Clayton Holdings. Today, that figure is closer to zero.

Tuesday, December 8, 2009

The global speculative-grade default rate stood at 12.7% in November, unchanged from 12.7% (revised from 12.4%) in October, according to Moody's. Moody's is now forecasting the default rate will close December at 12.2%, and then decline sharply to 3.9% by November 2010. The U.S. speculative-grade default rate stood at 13.7% in November, unchanged from 13.7% (revised from 13.4%) in October. Moody's is now forecasting the rate will close December at 13.1%, and then decline sharply to 4.3% by November 2010. The default rate on senior loans stood at an all-time high of 8.25% in November, up from 8.22% in October, according to Standard & Poor's LCD. The previous all-time high was 8.23% in December 2000. The default rate could climb to 12.00% by year-end, and then decline to around the 6.00% level next year.

Wednesday, December 9, 2009

While gold continues to garner the most attention of the ten major commodities, it is just the seventh best performer in 2009, according to Bespoke Investment Group. Year-to-date through December 3, the Reuters/Jefferies CRB Index was up 20.5%. The following shows the price changes for the ten major commodities: Copper (+126.7%); Orange Juice (+83.3%); Oil (+66.5%); Silver (+59.6%); Platinum (+54.0%); Coffee (+29.9%); Gold (+29.6%); Natural Gas (-11.6%); Corn (-17.0%); and Wheat (-20.3%).

Thursday, December 10, 2009

The dividend payment for the S&P 500 is expected to total \$22.31 in 2009, a 21.4% decline from the \$28.39 paid in 2008, according to Standard & Poor's. The \$22.31 equates to an aggregate payment of \$195.3 billion, compared to \$247.9 billion in 2008. So investors were out \$52.6 billion. S&P's initial estimate for the dividend payment in 2010 calls for \$23.67, or a 6.1% increase over 2009. Its "optimistic" outlook calls for \$24.30, or a gain of 8.9%.

Friday, December 11, 2009

The Federal Reserve reported that household net worth grew by 5.0% to \$53.4 trillion in Q3'09, according to CNNMoney.com. Net worth peaked at \$65.3 trillion in Q2'07. The value of stock holdings rose nearly 17% to \$7.4 trillion in Q3. Real estate values increased by 2.0% to \$16.5 trillion. Both household and business debt (excluding banks) shrank by 2.6% (annualized). State and local government debt rose by 5.1% (annualized). The federal government's debt jumped by 21% (annualized), the fifth consecutive quarterly increase of more than 20%.