

Stock Index Performance

Index	Week	YTD	12-mo.	2008	5-yr
DOW JONES 30 (8018)	3.13%	-7.76%	-34.44%	-31.92%	-2.84%
S&P 500 (843)	3.29%	-6.01%	-36.85%	-36.99%	-3.98%
NASDAQ 100 (1316)	5.17%	8.86%	-28.61%	-41.57%	-2.00%
S&P 500/Citigroup Growth	3.20%	-1.37%	-30.82%	-34.91%	-3.35%
S&P 500/Citigroup Value	3.39%	-10.90%	-42.86%	-39.19%	-4.76%
S&P MidCap 400/Citigroup Growth	4.61%	1.28%	-33.20%	-37.58%	-1.53%
S&P MidCap 400/Citigroup Value	5.82%	-5.20%	-35.08%	-34.78%	-1.89%
S&P SmallCap600/Citigroup Growth	6.22%	-8.28%	-35.06%	-32.84%	-2.34%
S&P SmallCap600/Citigroup Value	7.39%	-11.46%	-35.91%	-29.50%	-3.03%
MSCI EAFE	4.10%	-8.12%	-44.47%	-43.07%	-0.65%
MSCI World (ex US)	4.04%	-7.30%	-44.30%	-43.26%	-0.23%
MSCI World	3.71%	-6.39%	-40.74%	-40.39%	-2.07%
MSCI Emerging Markets	4.44%	9.34%	-44.60%	-53.49%	7.37%

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 4/3/09.

S&P Sector Performance

Index	Week	YTD	12-mo.	2008	5-yr
Consumer Discretionary	6.33%	0.25%	-32.03%	-33.49%	-6.56%
Consumer Staples	1.00%	-7.42%	-20.57%	-15.44%	1.70%
Energy	2.98%	-5.38%	-35.89%	-34.89%	11.13%
Financials	6.44%	-21.60%	-62.01%	-55.23%	-17.51%
Health Care	-1.83%	-9.53%	-22.24%	-22.80%	-2.99%
Industrials	3.54%	-14.86%	-48.19%	-39.92%	-4.85%
Information Technology	5.92%	11.52%	-27.55%	-43.14%	-3.90%
Materials	3.68%	5.30%	-43.88%	-45.64%	-0.27%
Telecom Services	4.60%	0.05%	-21.49%	-30.47%	2.61%
Utilities	1.69%	-8.96%	-30.18%	-28.99%	5.15%

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 4/3/09.

Bond Index Performance

Index	Week	YTD	12-mo.	2008	5-yr
U.S. Treasury: Intermediate	-0.43%	-1.12%	6.27%	11.35%	4.92%
GNMA 30 Year	0.06%	2.10%	7.77%	7.87%	5.64%
U.S. Aggregate	-0.18%	-0.29%	3.28%	5.24%	4.29%
U.S. Corporate High Yield	0.87%	7.36%	-18.99%	-26.16%	0.21%
U.S. Corporate Investment Grade	-0.34%	-2.44%	-6.75%	-4.94%	1.27%
Municipal Bond: Long Bond (22+)	0.74%	7.59%	-4.44%	-14.68%	2.12%
Global Aggregate	-0.13%	-3.32%	-3.81%	4.79%	4.14%

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 4/3/09.

Key Rates

As of 4/3

Fed Funds	0.25%	5-YR CD	3.01%
LIBOR (1-month)	0.50%	2-YR T-Note	0.94%
CPI - Headline	0.20%	5-YR T-Note	1.85%
CPI - Core	1.80%	10-YR T-Note	2.88%
Money Market Accts.	1.32%	30-YR T-Bond	3.69%
Money Market Funds	0.25%	30-YR Mortgage	5.08%
6-mo. CD	1.76%	Prime Rate	3.25%
1-YR CD	2.33%	Bond Buyer 40	5.56%

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

Market Indicators

As of 4/3

TED Spread	95 bps
Investment Grade Spread (A2)	563 bps
ML High Yield Master II Index Spread	1647 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 3/25/09

Estimated Flows to Long-Term Mutual Funds

	Current Week	Previous
Domestic Equity	\$2,299 Billion	\$131 Million
Foreign Equity	-\$557 Million	-\$364 Million
Taxable Bond	\$6,441 Billion	\$4,757 Billion
Municipal Bond	\$711 Million	\$887 Million

Change in Money Market Fund Assets

	Current Week	Previous
Retail	-\$11.01 Billion	-\$12.90 Billion
Institutional	-\$11.14 Billion	\$8.84 Billion

Source: Investment Company Institute

Factoids for the week of March 30th – April 3rd

Monday, March 30, 2009

Iraq may be months away from forging licensing agreements with oil companies to boost production in seven of its oil fields holding an estimated 44 billion barrels of crude, according to *BusinessWeek*. There are 30 oil companies competing for the licenses, including Shell, ExxonMobil and Chevron. Iraq has 115 billion barrels of reserves. It is currently producing around 2.5 million barrels per day, but it believes 6 million is doable looking out six to seven years. Saudi Arabia is the largest producer at 12 million barrels per day.

Tuesday, March 31, 2009

There are nearly 800 ETFs (\$500 billion) trading today, according to the Investment Company Institute. That is roughly one-tenth the number of mutual funds available to investors. The Tabb Group reports that another 500 or so ETFs are registered with the Securities and Exchange Commission. In 2008, over 160 ETFs were brought to market despite the 37% decline in the S&P 500. Currently, there are only 65 bond ETFs (\$62 billion), according to Morgan Stanley's ETF analyst Dominic Maister.

Wednesday, April 1, 2009

The S&P 500 declined for the sixth quarter in a row falling 11.0% in Q1'09. The only other time the index posted a losing streak comparable to this one was from Q4'68 through Q2'70, according to Standard & Poor's. The silver lining may be that the S&P 500 was up 8.7% in March. All ten sectors gained with Financials, Technology and Consumer Discretionary stocks cracking the top four. These sectors tend to lead the market in the first year of a recovery, according to Sam Stovall at S&P. Technology was the only sector up in the first quarter (+4.3%) and was the top performer in March (+12.1%).

Thursday, April 2, 2009

In March, the dividend-payers (365) in the S&P 500 (equal weight) posted a total return of 9.34%, vs. 14.05% for the non-payers (135), according to Standard & Poor's. Year-to-date, the payers declined 12.99%, vs. a loss of 0.23% for the non-payers. For the 12-month period ended March '09, payers fell 47.77%, vs. a decline of 40.66% for the non-payers. The number of dividend increases so far in 2009 totaled 54. That significantly lagged the 92 increases registered at this point in 2008. The number of companies that decreased their dividend totaled 40, up from seven a year ago.

Friday, April 3, 2009

The price of natural gas closed yesterday's trading at \$3.74 per million British-thermal-units. A year ago it was trading closer to \$9.40. The U.S. Energy Department expects natural gas consumption to decline by 1.3% in 2009, according to MarketWatch.com. Natural gas storage levels are currently running above their 5-year average (29% above last year), according to Dan Payne, analyst at Paradigm Capital. There is also a glut of liquefied natural gas (LNG) on the market and the U.S. has the greatest storage capacity for LNG in the world, which gives it pricing leverage over suppliers, according to Charles Perry, president of energy-consulting firm Perry Management. Unless the U.S. is hit with a major hurricane this summer analysts expect the price to trade between \$3 and \$4.