**Sources:** Bloomberg, Reuters. The global speculative-grade default rate stood at 8.3% in April, up from 7.4% (revised from 7.0%) in March, according to Moody’s. There were 25 defaults in April. There have been 112 so far in 2009. There were just 22 defaults in the first four months of 2008. Moody’s is now forecasting the default rate will rise to 14.8% by December 2009, and then dip to 10.4% by April 2010. The U.S. speculative-grade default rate stood at 9.2% in April, up from 8.0% (revised from 7.4%) in March. Moody’s is now forecasting the rate will rise to 14.5% by December 2009. The default rate on senior loans stood at 5.39% in April, up from 5.02% in March, according to Standard & Poor’s LCD. It sees default rates climbing to the mid-teens by year-end.

**Tuesday, May 12, 2009**

Piracy accounted for 41% of all PC software installed worldwide (business and home computers) in 2008, up from 38% in 2007, according to the Business Software Alliance. It estimates that the piracy shortchanged software companies by $53 billion. Global PC software sales rose 14% last year to $88 billion.

**Wednesday, May 13, 2009**

A standard definition of a bull market is a 20% rise in the market over an extended period of time, but there are others, according to SeekingAlpha.com. Ned Davis Research employs the following definitions: (1) a bull market occurs in the event of a 30% rise in stocks over a 50-day period, or (2) a 13% rise after 155 days. Using the first definition, the U.S. is in a bull market since the S&P 500 gained 37.8% from March 9 through May 10 (62 days). We will have to wait another three months to see if the second hurdle is cleared.

**Thursday, May 14, 2009**

Taxable mutual fund investors paid an estimated $15.8 billion in taxes in 2008, down 53% from the previous year, but close to the 10-year average, according to Lipper. Fund distributions totaled $281.1 billion, down from a record-high $581.6 billion in 2007. Equity investors accounted for nearly 60% of the taxes owed. They were hit especially hard because in addition to paying taxes on the distributions the average equity fund declined by 39.54% in 2008, down 53% from the previous year, but close to the 10-year average, according to Lipper. U.S. stocks were also down 37.8% from March 9 through May 10 (62 days). We will have to wait another three months to see if the second hurdle is cleared.

**Friday, May 15, 2009**

The U.S. Senate public works committee approved a bill yesterday calling for approximately $37 billion to be spent over the next five years on initiatives to upgrade our drinking water and sewer systems, according to Reuters. The House and Senate must now pass it before President Obama can sign it into law. Close to $20 billion would be directed to clean water state revolving funds, which loan money to water authorities for building and repairs. Another $15 billion would go to similar funds used to maintain drinking water supplies. The last $2 billion will come from the American Recovery and Reinvestment Act passed in February.