

Stock Index Performance

Index	Week	YTD	12-mo.	2008	5-yr
DOW JONES 30 (8438)	-1.16%	-2.13%	-23.78%	-31.92%	-1.58%
S&P 500 (919)	-0.21%	3.11%	-26.44%	-36.99%	-2.14%
NASDAQ 100 (1480)	0.61%	22.65%	-19.66%	-41.57%	0.25%
S&P 500/Citigroup Growth	-0.40%	7.55%	-23.84%	-34.91%	-1.67%
S&P 500/Citigroup Value	0.00%	-1.56%	-29.12%	-39.19%	-2.74%
S&P MidCap 400/Citigroup Growth	-0.26%	12.59%	-29.42%	-37.58%	0.86%
S&P MidCap 400/Citigroup Value	-0.08%	3.87%	-28.36%	-34.78%	0.05%
S&P SmallCap600/Citigroup Growth	-0.09%	3.67%	-27.34%	-32.84%	-0.17%
S&P SmallCap600/Citigroup Value	0.04%	-1.39%	-25.15%	-29.50%	-0.91%
MSCI EAFE	0.07%	7.98%	-31.38%	-43.07%	2.72%
MSCI World (ex US)	0.04%	9.48%	-31.50%	-43.26%	3.32%
MSCI World	-0.05%	6.54%	-29.34%	-40.39%	0.61%
MSCI Emerging Markets	1.53%	36.11%	-28.83%	-53.49%	14.78%

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 6/26/09.

S&P Sector Performance

Index	Week	YTD	12-mo.	2008	5-yr
Consumer Discretionary	-0.49%	7.96%	-18.60%	-33.49%	-5.05%
Consumer Staples	0.66%	-1.60%	-11.18%	-15.44%	3.04%
Energy	-2.68%	-2.65%	-40.25%	-34.89%	10.13%
Financials	-1.24%	-3.66%	-40.80%	-55.23%	-13.52%
Health Care	1.32%	0.43%	-9.89%	-22.80%	-0.88%
Industrials	-0.97%	-5.57%	-34.07%	-39.92%	-3.92%
Information Technology	0.20%	24.81%	-19.51%	-43.14%	-1.32%
Materials	-0.87%	14.47%	-38.52%	-45.64%	1.65%
Telecom Services	3.69%	-3.40%	-17.23%	-30.47%	2.56%
Utilities	1.12%	-2.27%	-27.45%	-28.99%	6.96%

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 6/26/09.

Bond Index Performance

Index	Week	YTD	12-mo.	2008	5-yr
U.S. Treasury: Intermediate	1.02%	-2.38%	6.40%	11.35%	4.95%
GNMA 30 Year	0.61%	2.49%	9.14%	7.87%	5.85%
U.S. Aggregate	1.06%	1.89%	6.29%	5.24%	5.06%
U.S. Corporate High Yield	-0.22%	29.75%	-3.27%	-26.16%	4.22%
U.S. Corporate Investment Grade	1.28%	8.12%	3.48%	-4.94%	3.81%
Municipal Bond: Long Bond (22+)	-0.08%	11.94%	-1.36%	-14.68%	3.42%
Global Aggregate	1.33%	1.73%	3.07%	4.79%	5.57%

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 6/26/09.

Key Rates

As of 6/26

Fed Funds	0.25%	5-YR CD	3.06%
LIBOR (1-month)	0.31%	2-YR T-Note	1.10%
CPI - Headline	-1.30%	5-YR T-Note	2.55%
CPI - Core	1.80%	10-YR T-Note	3.53%
Money Market Accts.	1.28%	30-YR T-Bond	4.33%
Money Market Funds	0.14%	30-YR Mortgage	5.46%
6-mo. CD	1.40%	Prime Rate	3.25%
1-YR CD	1.94%	Bond Buyer 40	5.43%

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

Market Indicators

As of 6/26

TED Spread	39 bps
Investment Grade Spread (A2)	329 bps
ML High Yield Master II Index Spread	1108 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 6/17/09

Estimated Flows to Long-Term Mutual Funds

	Current Week	Previous
Domestic Equity	\$1.956 Billion	\$2.025 Billion
Foreign Equity	\$1.400 Billion	\$3.011 Billion
Taxable Bond	\$6.084 Billion	\$5.464 Billion
Municipal Bond	\$1.005 Billion	\$1.460 Billion

Change in Money Market Fund Assets

	Current Week	Previous
Retail	-\$6.55 Billion	-\$6.65 Billion
Institutional	\$40.77 Billion	-\$66.20 Billion

Source: Investment Company Institute

Factoids for the week of June 22nd – June 26th

Monday, June 22, 2009

S&P 500 stock buyback activity for Q1'09 totaled \$30.8 billion, a decline of 73.0% from the \$113.9 billion spent in Q1'08, according to Standard & Poor's. Exxon Mobil accounted for more than a quarter of the buybacks. The record-high for buybacks was \$171.95 billion in Q3'07. Since the buyback boom began in Q4'04, companies have spent approximately \$1.8 trillion on buybacks, versus \$2.0 trillion on capital expenditures and \$1.0 trillion on dividends.

Tuesday, June 23, 2009

The Barclays Capital "Original E&P Spending Survey" (conducted semiannually) predicts that worldwide E&P expenditures will contract by 15% in 2009, according to Barclays Capital. The December 2008 survey referenced a 12% reduction in spending. Spending is expected to decline from \$457 billion in 2008 to \$387 billion in 2009. Expenditures had grown for six consecutive years through 2008. Here is the global breakdown: U.S. (\$68 billion); Canada (\$19 billion); and International (\$300 billion). Companies are basing their 2009 budgets on \$50.18 crude oil and an average price of \$4.68 for natural gas.

Wednesday, June 24, 2009

Bespoke Investment Group looked at recent inflation rates in 77 countries and found that the average inflation rate (unweighted) for the universe was 4.11%. Fifty-nine countries have seen prices rise versus a year ago, 14 have seen prices fall, and 4 are flat. With respect to major countries, Ireland has experienced the most deflation with prices declining 4.7%, while Russia has seen the biggest increase at 12.3%. Prices in the U.S. and China have declined 1.3% and 1.4%, respectively.

Thursday, June 25, 2009

The Q2'09 edition of the *Investment Manager Outlook* (released June 24), a survey of investment managers conducted by Russell Investment Group, says that money managers are most bullish on Emerging Market Equities (74%), High Yield Bonds (66%) and Corporate Bonds (66%). With respect to U.S. equities, managers are most bullish on U.S. Small-Cap Growth (57%), U.S. Large-Cap Growth (54%) and U.S. Small-Cap Value (54%). Managers are least bullish on Real Estate (16%) and U.S. Treasuries (9%). The sectors managers are most bullish on are Technology (75%), Other Energy (70%), Integrated Oils (61%), Materials and Processing (60%) and Financials (52%).

Friday, June 26, 2009

One of the inherent problems with the Obama Administration's \$787 billion stimulus plan is that 60% of the package was never going to have much of a stimulative effect, according to Congressional Budget Office Director Douglas Elmendorf. With respect to the other 40%, initiatives capable of providing real stimulus will be among the slowest to come online. Contracts totaling \$152 billion had been let as of June 19, but only \$53 billion has been spent in the four months since the stimulus bill was enacted, according to Recovery.gov. The Department of Transportation has spent just \$369 million of the \$19 billion it has appropriated for highways, airports and other construction projects, according to *Forbes*.