

Stock Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
Dow Jones Industrial Avg. (11,118)	-0.13%	8.96%	17.61%	22.68%	4.01%
S&P 500 (1,183)	0.04%	7.84%	16.52%	26.47%	1.73%
NASDAQ 100 (2,124)	0.97%	14.83%	28.31%	54.63%	6.72%
S&P 500 Growth	0.35%	8.83%	17.57%	31.58%	3.20%
S&P 500 Value	-0.28%	6.85%	15.54%	21.17%	0.19%
S&P MidCap 400 Growth	1.21%	18.45%	29.68%	41.23%	6.00%
S&P MidCap 400 Value	-0.13%	12.52%	25.87%	33.77%	3.94%
S&P SmallCap 600 Growth	0.29%	14.97%	28.13%	28.34%	3.67%
S&P SmallCap 600 Value	-0.45%	11.81%	24.64%	22.86%	2.54%
MSCI EAFE	-0.43%	4.72%	8.36%	31.78%	3.31%
MSCI World (ex US)	-0.18%	7.22%	12.62%	41.45%	5.74%
MSCI World	-0.04%	6.41%	12.74%	29.99%	2.55%
MSCI Emerging Markets	0.06%	13.97%	23.56%	78.51%	14.94%

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 10/29/10.

S&P Sector Performance

Index	Week	YTD	12-mo.	2009	5-yr
Consumer Discretionary	0.74%	19.47%	33.57%	41.33%	3.60%
Consumer Staples	-0.12%	10.78%	14.91%	14.89%	7.28%
Energy	-0.25%	4.77%	7.18%	13.86%	5.80%
Financials	-0.38%	1.95%	4.85%	17.24%	-11.44%
Health Care	-0.35%	1.40%	13.14%	19.70%	2.47%
Industrials	-0.97%	16.32%	28.50%	20.93%	2.64%
Information Technology	0.84%	6.43%	18.24%	61.72%	4.99%
Materials	1.39%	9.49%	24.12%	48.57%	7.39%
Telecom Services	0.36%	11.96%	24.78%	8.93%	5.64%
Utilities	-0.45%	5.50%	16.70%	11.91%	4.09%

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 10/29/10.

Bond Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
U.S. Treasury: Intermediate	-0.01%	7.55%	6.69%	-1.41%	6.10%
GNMA 30 Year	-0.13%	7.51%	7.23%	5.37%	6.79%
U.S. Aggregate	-0.03%	8.33%	8.01%	5.93%	6.45%
U.S. Corporate High Yield	0.62%	14.41%	19.35%	58.21%	9.08%
U.S. Corporate Investment Grade	0.10%	10.90%	11.61%	18.68%	6.76%
Municipal Bond: Long Bond (22+)	-0.52%	8.91%	10.03%	23.43%	4.62%
Global Aggregate	0.15%	8.31%	6.89%	6.93%	7.17%

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 10/29/10.

Key Rates

	As of 10/29		
Fed Funds	0.00-0.25%	5-yr CD	2.33%
LIBOR (1-month)	0.26%	2-yr T-Note	0.33%
CPI - Headline	1.10%	5-yr T-Note	1.16%
CPI - Core	0.80%	10-yr T-Note	2.59%
Money Market Accts.	0.68%	30-yr T-Bond	3.98%
Money Market Funds	0.04%	30-yr Mortgage	4.35%
6-mo CD	0.81%	Prime Rate	3.25%
1-yr CD	1.09%	Bond Buyer 40	4.93%

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

Market Indicators

	As of 10/29	
TED Spread		17 bps
Investment Grade Spread (A2)		188 bps
ML High Yield Master II Index Spread		595 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 10/20/10

Estimated Flows to Long-Term Mutual Funds				
	Current Week		Previous	
Domestic Equity	-\$202	Million	-\$623	Million
Foreign Equity	\$2.223	Billion	\$1.453	Billion
Taxable Bond	\$5.853	Billion	\$5.462	Billion
Municipal Bond	\$631	Million	\$243	Million
Change in Money Market Fund Assets				
	Current Week		Previous	
Retail	-\$3.01	Billion	-\$4.99	Billion
Institutional	\$27.63	Billion	-\$12.02	Billion

Source: Investment Company Institute

Factoids for the week of October 25th – 29th

Monday, October 25, 2010

Strategic Business Insights revealed that the average debt for households headed by people 55 or older nearly doubled to \$66,000 from 2000 through 2008, according to USA TODAY. Job loss, medical bills (30.2% of those polled pay \$5,000 or more per year out-of-pocket) and providing financial assistance to children were behind the rise in debt. Credit cards are being used to cover shortfalls. Debtors age 55-64 accounted for 16.9% of bankruptcy filers in 2009, up from 14.3% in 2007, according to the Consumer Bankruptcy Demographics Report.

Tuesday, October 26, 2010

Investors taking mandatory withdrawals from their IRAs in 2010 may want to consider liquidating more than the minimum to take advantage of current tax rates, according to Bloomberg. While Congress is expected to address the expiration of the Bush tax cuts after the midterm election, President Obama has stated his desire to see rates reset on the top two brackets from 33% to 36% and 35% to 39.6%. Sixty-four percent of individuals who received a distribution in 2008 did so because of the required distribution, according to the Investment Company Institute. IRA holders were not required to take a distribution in 2009 because of the severe drop in balances (S&P 500 down 37%) stemming from the financial crisis. IRAs held \$4.2 trillion in Q2'10, up nearly 11% from Q2'09.

Wednesday, October 27, 2010

The Mortgage Bankers Association (MBA) is forecasting an average rate of 4.4% for the 30-year fixed-rate mortgage in Q4'10, according to MarketWatch.com. It expects the rate to average 4.7% in Q1'11 and then rise to 5.1% by the end of 2011. Total mortgage volume is expected to be \$1.0 trillion in 2011, down from an estimated \$1.4 trillion in 2010 and well below the nearly \$2.0 trillion posted in 2009. The MBA believes that the anticipated rise in rates next year will curtail refinancing activity the most.

Thursday, October 28, 2010

Thomson Reuters noted that nearly half of the companies in the S&P 500 have reported their earnings for Q3 and 81% have topped analysts' expectations, according to USA TODAY. The historical average for companies beating their estimates is 62%. At this pace the current earnings season will eclipse the record 79% beat rate from Q3'09. S&P 500 companies have posted 36% earnings growth so far and if it holds it will be the best third quarter showing in at least 20 years, according to Standard & Poor's.

Friday, October 29, 2010

Strategy Analytics reported that the growth rate of the overall cellphone market slowed from 16% in the first half of 2010 to 13% in Q3, and is expected to slow further to 10% in Q4, according to Reuters. Some of the weakness is being attributed to component shortages. However, the smartphone segment of the market is robust. IDC expects 2010 smartphone volumes to be up 55% from a year ago.