

Stock Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
Dow Jones Industrial Avg. (11,193)	-2.10%	9.85%	12.76%	22.68%	3.64%
S&P 500 (1,199)	-2.10%	9.42%	12.53%	26.47%	1.54%
NASDAQ 100 (2,138)	-2.21%	15.61%	21.40%	54.63%	5.87%
S&P 500 Growth	-2.06%	10.27%	13.53%	31.58%	2.97%
S&P 500 Value	-2.15%	8.57%	11.59%	21.17%	0.02%
S&P MidCap 400 Growth	-1.66%	20.80%	26.12%	41.23%	5.74%
S&P MidCap 400 Value	-2.27%	14.44%	21.79%	33.77%	3.79%
S&P SmallCap 600 Growth	-1.54%	18.38%	27.99%	28.34%	3.76%
S&P SmallCap 600 Value	-2.47%	14.37%	24.07%	22.86%	2.42%
MSCI EAFE	-2.31%	5.84%	6.03%	31.78%	3.25%
MSCI World (ex US)	-2.45%	8.48%	9.67%	41.45%	5.60%
MSCI World	-2.17%	7.76%	9.47%	29.99%	2.40%
MSCI Emerging Markets	-3.00%	15.59%	19.47%	78.51%	14.18%

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 11/12/10.

S&P Sector Performance

Index	Week	YTD	12-mo.	2009	5-yr
Consumer Discretionary	-1.28%	22.20%	28.28%	41.33%	3.29%
Consumer Staples	-1.25%	10.92%	11.66%	14.89%	7.03%
Energy	1.15%	11.38%	11.05%	13.86%	7.49%
Financials	-4.00%	4.74%	2.93%	17.24%	-11.65%
Health Care	-1.69%	0.72%	6.16%	19.70%	1.88%
Industrials	-2.97%	17.15%	19.85%	20.93%	2.23%
Information Technology	-3.12%	6.61%	12.15%	61.72%	4.28%
Materials	-2.07%	11.88%	16.32%	48.57%	7.08%
Telecom Services	-2.07%	12.44%	22.05%	8.93%	5.35%
Utilities	-2.26%	4.25%	12.54%	11.91%	4.37%

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 11/12/10.

Bond Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
U.S. Treasury: Intermediate	-0.76%	7.09%	6.02%	-1.41%	5.99%
GNMA 30 Year	-0.51%	7.35%	6.56%	5.37%	6.74%
U.S. Aggregate	-0.79%	7.77%	7.26%	5.93%	6.33%
U.S. Corporate High Yield	-0.43%	14.93%	19.15%	58.21%	9.13%
U.S. Corporate Investment Grade	-1.13%	10.17%	10.81%	18.68%	6.58%
Municipal Bond: Long Bond (22+)	-1.90%	6.45%	8.15%	23.43%	4.15%
Global Aggregate	-1.71%	6.95%	4.98%	6.93%	7.26%

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 11/12/10.

Key Rates

	As of 11/12		
Fed Funds	0.00-0.25%	5-yr CD	2.23%
LIBOR (1-month)	0.25%	2-yr T-Note	0.50%
CPI - Headline	1.10%	5-yr T-Note	1.36%
CPI - Core	0.80%	10-yr T-Note	2.78%
Money Market Accts.	0.66%	30-yr T-Bond	4.29%
Money Market Funds	0.03%	30-yr Mortgage	4.43%
6-mo CD	0.78%	Prime Rate	3.25%
1-yr CD	1.06%	Bond Buyer 40	5.12%

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

Market Indicators

As of 11/12	
TED Spread	15 bps
Investment Grade Spread (A2)	190 bps
ML High Yield Master II Index Spread	577 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 11/03/10

Estimated Flows to Long-Term Mutual Funds				
	Current Week		Previous	
Domestic Equity	-\$1.134	Billion	-\$2.911	Billion
Foreign Equity	\$1.863	Billion	\$569	Million
Taxable Bond	\$3.139	Billion	\$4.762	Billion
Municipal Bond	\$405	Million	\$545	Million

Change in Money Market Fund Assets				
	Current Week		Previous	
Retail	-\$3.74	Billion	-\$1.05	Billion
Institutional	\$5.91	Billion	-\$5.54	Billion

Source: Investment Company Institute

Factoids for the week of November 8th – 12th

Monday, November 8, 2010

Investors funneled a net \$39.14 billion into Emerging Markets equity funds in the first nine months of 2010, up from \$21.84 billion over the same span a year ago, according to Strategic Insight. Year-to-date, the MSCI Emerging Markets Index is up 19.16% on a total return basis, compared to 11.77% for the S&P 500. The 50 highest-yielding stocks in the MSCI Emerging Markets Index are up around 26%, vs. 13% for the 50 companies with the best earnings expansion, according to *Bloomberg BusinessWeek*. That represents a major shift in sentiment compared to the six years prior to 2010 when the highest-yielding issues lagged growth stocks by an average of 16 percentage points.

Tuesday, November 9, 2010

In October, approximately 1.5 companies raised their earnings estimates above analysts' expectations for each company that cut, according to Bloomberg. That is 2.5 times the 0.59 average over the past 10 years. The record low for the ratio was 0.1 in December 2008, just three months after Lehman Brothers Holdings Inc. filed for bankruptcy. When the ratio reached 1.1 in March 2004, the S&P 500 rallied from 1126.21 to a record 1565.15 in October 2007, according to Bloomberg.

Wednesday, November 10, 2010

Moody's reported that the global speculative-grade default rate stood at 3.7% in October, down from 4.0% in September, according to the *Investment Dealers' Digest*. Moody's is now forecasting a default rate of 2.8% by December 2010 and 1.9% by October 2011. The U.S. speculative-grade default rate stood at 3.6% in October, down from 4.0% in September. Moody's is now forecasting a default rate of 2.9% by December 2010 and 2.2% by October 2011. The default rate on senior loans stood at 2.28% in October, down from 4.53% in September, according to Standard & Poor's LCD. Loan managers expect the default rate to be 1-3% in 2011.

Thursday, November 11, 2010

The value of the global pharmaceutical market is expected to grow 5-7% in 2011, up from the anticipated 4-5% pace this year, according to IMS Health. The global sales target is \$880 billion. As is the case with most industries, growth in emerging markets will be higher at 15-17% in 2011, with sales ranging from \$170 to \$180 billion. China's sales could top \$50 billion – a gain of 25-27%. China is now the world's third-largest pharmaceutical market.

Friday, November 12, 2010

A recent study by Shop.org and BIGresearch found that 63.8% of retailers expect their online sales to grow by 15% or more this holiday season, up from 45.8% last year, according to the National Retail Federation. Approximately 80% of online retailers planned to launch their holiday marketing push by the first week of November, and 84.8% intend to offer free shipping at some point during the holiday season. Nearly three out of four online retailers said they were investing in their Facebook page.