

Stock Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
Dow Jones Industrial Avg. (10,451)	2.36%	1.54%	25.57%	22.68%	2.34%
S&P 500 (1,118)	2.39%	1.15%	24.20%	26.47%	0.40%
NASDAQ 100 (1,913)	3.59%	3.23%	32.52%	54.63%	5.04%
S&P 500 Growth	2.61%	-0.14%	21.98%	31.58%	1.33%
S&P 500 Value	2.18%	2.47%	26.64%	21.17%	-0.63%
S&P MidCap 400 Growth	1.95%	7.80%	35.32%	41.23%	4.30%
S&P MidCap 400 Value	2.23%	6.73%	38.11%	33.77%	3.15%
S&P SmallCap 600 Growth	2.34%	7.58%	33.96%	28.34%	2.90%
S&P SmallCap 600 Value	2.44%	7.04%	34.26%	22.86%	1.73%
MSCI EAFE	4.16%	-8.70%	12.71%	31.78%	1.70%
MSCI World (ex US)	4.06%	-6.41%	17.71%	41.45%	4.24%
MSCI World	3.22%	-3.47%	18.73%	29.99%	1.13%
MSCI Emerging Markets	3.99%	-2.63%	30.85%	78.51%	13.39%

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 06/18/10.

S&P Sector Performance

Index	Week	YTD	12-mo.	2009	5-yr
Consumer Discretionary	1.01%	9.76%	44.25%	41.33%	0.73%
Consumer Staples	1.50%	1.69%	18.72%	14.89%	5.51%
Energy	2.72%	-1.93%	10.68%	13.86%	5.08%
Financials	2.31%	3.65%	26.69%	17.24%	-10.52%
Health Care	1.94%	-4.28%	16.19%	19.70%	0.56%
Industrials	3.33%	8.36%	37.40%	20.93%	0.73%
Information Technology	3.41%	-1.38%	29.56%	61.72%	3.72%
Materials	1.68%	-4.99%	22.06%	48.57%	3.66%
Telecom Services	0.87%	-4.06%	10.99%	8.93%	1.79%
Utilities	4.00%	-1.07%	13.19%	11.91%	3.34%

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 06/18/10.

Bond Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
U.S. Treasury: Intermediate	0.02%	3.72%	5.97%	-1.41%	5.21%
GNMA 30 Year	0.25%	4.93%	8.73%	5.37%	6.26%
U.S. Aggregate	0.20%	4.37%	9.99%	5.93%	5.48%
U.S. Corporate High Yield	1.86%	4.55%	27.40%	58.21%	7.28%
U.S. Corporate Investment Grade	0.42%	4.17%	16.39%	18.68%	5.15%
Municipal Bond: Long Bond (22+)	-0.33%	4.13%	14.69%	23.43%	3.73%
Global Aggregate	0.99%	-1.11%	5.43%	6.93%	4.86%

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 06/18/10.

Key Rates

As of 06/18			
Fed Funds	0.00-0.25%	5-yr CD	2.81%
LIBOR (1-month)	0.35%	2-yr T-Note	0.70%
CPI - Headline	2.00%	5-yr T-Note	2.01%
CPI - Core	0.90%	10-yr T-Note	3.22%
Money Market Accts.	0.78%	30-yr T-Bond	4.14%
Money Market Funds	0.03%	30-yr Mortgage	4.80%
6-mo CD	0.89%	Prime Rate	3.25%
1-yr CD	1.37%	Bond Buyer 40	5.18%

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

Market Indicators

As of 06/18	
TED Spread	43 bps
Investment Grade Spread (A2)	214 bps
ML High Yield Master II Index Spread	683 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 06/09/10

Estimated Flows to Long-Term Mutual Funds			
	Current Week	Previous	
Domestic Equity	-\$3.660 Billion	-\$1.117	Billion
Foreign Equity	\$779 Million	\$463	Million
Taxable Bond	\$4.331 Billion	\$3.377	Billion
Municipal Bond	\$403 Million	\$869	Million
Change in Money Market Fund Assets			
	Current Week	Previous	
Retail	\$0.18 Billion	-\$5.03	Billion
Institutional	-\$34.69 Billion	\$5.77	Billion

Source: Investment Company Institute

Factoids for the week of June 14th – June 18th

Monday, June 14, 2010

The Investment Company Institute (ICI) reported that assets traded in U.S. ETFs grew 56.9% in the 12-month period ended April 2010, according to Reuters. Total assets in U.S. ETFs reached \$830.9 billion. ETF assets total \$1.2 trillion worldwide, according to Bloomberg. The number of U.S. ETFs stood at 865 (749 Equity/110 Bond/6 Hybrid) in April 2010, up from 726 a year ago. An estimated 833 ETFs are currently in the pipeline worldwide. On some days more than 4 out of 10 trades on U.S. stock exchanges involve ETFs, according to Tom Lydon, editor of ETFtrends.com.

Tuesday, June 15, 2010

The Internet revolution is impacting the auto industry in a way that few anticipated. The Department of Transportation reported that the percentage of people in the U.S. under 30 years old with a driver's license has been on the decline since 1998, according to Advertising Age. William Draves, president of Lern, a consulting firm focusing on higher education, believes that younger people are opting for public transportation over cars so they can use their wireless digital devices (think new laws against talking or texting while driving) and minimize downtime. The share of automobile miles driven by people aged 21 to 30 fell from 18.3% in 2001 to 13.7% in 2009, according to the Federal Highway Administration's National Household Travel Survey.

Wednesday, June 16, 2010

James W. Paulsen, Ph.D., and chief investment strategist at Wells Capital Management, has provided some compelling data that makes a case for investing in stocks when the U.S. unemployment rate is high. Since January 1948 (monthly data), U.S. stocks posted an annualized total return of 20.43% for the highest quartile of unemployment rates, compared to an annualized total return of 7.34% for the lowest three quartiles.

Thursday, June 17, 2010

The Barclays Capital "Original E&P Spending Survey" (conducted semiannually) predicts that worldwide E&P expenditures will increase by 12.0% in 2010, up from its 11.1% estimate six months ago, according to Barclays Capital. Spending is expected to total \$447 billion, up from its earlier estimate of \$439 billion. Here is the global breakdown: U.S. (\$85 billion vs. \$79 billion in 12'09); Canada (\$27 billion vs. \$23 billion in 12'09); and International (\$335 billion vs. \$337 billion in 12'09). Companies are basing their 2010 budgets on an average price of \$73.56 (up from \$70.16) for crude oil and \$4.65 (down from \$5.21) for natural gas.

Friday, June 18, 2010

While many state and local governments are struggling to find ways to balance their budgets, Corporate America has been boosting cash levels and curbing debt. In the past two years alone, total cash and short-term investments have risen 42.6%, 35.9%, and 30.8%, respectively, for the nonfinancial companies in the S&P 500, S&P 400, and S&P 600 indices, according to Standard & Poor's. The cash holdings at these 1,500 companies (excluding financials) total well over \$1 trillion. Over the same span, total debt increased by only 5.6% and 3.4%, respectively, for the nonfinancial companies in the S&P 500 and S&P 400, and declined by 8.5% for the nonfinancials in the S&P 600.