

Stock Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
Dow Jones Industrial Avg. (10,448)	2.99%	2.12%	15.60%	22.68%	2.70%
S&P 500 (1,105)	3.80%	0.41%	13.25%	26.47%	0.15%
NASDAQ 100 (1,870)	4.40%	1.06%	18.07%	54.63%	4.10%
S&P 500 Growth	3.67%	-0.98%	13.25%	31.58%	1.13%
S&P 500 Value	3.92%	1.83%	13.16%	21.17%	-0.91%
S&P MidCap 400 Growth	4.58%	7.97%	24.03%	41.23%	4.05%
S&P MidCap 400 Value	4.28%	5.09%	20.42%	33.77%	2.15%
S&P SmallCap 600 Growth	3.87%	4.66%	19.74%	28.34%	1.58%
S&P SmallCap 600 Value	4.41%	3.59%	16.71%	22.86%	0.57%
MSCI EAFE	4.04%	-4.11%	4.28%	31.78%	1.27%
MSCI World (ex US)	3.91%	-1.90%	9.32%	41.45%	3.63%
MSCI World	3.91%	-1.74%	8.99%	29.99%	0.73%
MSCI Emerging Markets	3.51%	3.17%	23.38%	78.51%	12.50%

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 09/03/10.

S&P Sector Performance

Index	Week	YTD	12-mo.	2009	5-yr
Consumer Discretionary	5.18%	9.05%	28.37%	41.33%	1.01%
Consumer Staples	2.31%	4.58%	14.80%	14.89%	6.32%
Energy	3.72%	-4.16%	8.16%	13.86%	2.95%
Financials	5.70%	1.46%	6.69%	17.24%	-10.83%
Health Care	2.21%	-5.50%	5.56%	19.70%	0.32%
Industrials	4.72%	8.61%	25.11%	20.93%	1.37%
Information Technology	3.50%	-6.09%	10.78%	61.72%	2.13%
Materials	4.24%	0.38%	15.47%	48.57%	5.80%
Telecom Services	2.09%	4.72%	18.94%	8.93%	3.86%
Utilities	1.64%	4.05%	14.92%	11.91%	3.00%

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 09/03/10.

Bond Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
U.S. Treasury: Intermediate	-0.06%	6.21%	5.79%	-1.41%	5.53%
GNMA 30 Year	0.09%	6.57%	7.57%	5.37%	6.38%
U.S. Aggregate	-0.07%	7.14%	8.18%	5.93%	5.81%
U.S. Corporate High Yield	0.58%	8.84%	21.98%	58.21%	7.64%
U.S. Corporate Investment Grade	-0.24%	8.97%	12.04%	18.68%	5.81%
Municipal Bond: Long Bond (22+)	-0.16%	8.48%	11.05%	23.43%	4.17%
Global Aggregate	0.18%	4.13%	5.51%	6.93%	5.50%

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 09/03/10.

Key Rates

	As of 09/03		
Fed Funds	0.00-0.25%	5-yr CD	2.56%
LIBOR (1-month)	0.26%	2-yr T-Note	0.51%
CPI - Headline	1.20%	5-yr T-Note	1.48%
CPI - Core	0.90%	10-yr T-Note	2.70%
Money Market Accts.	0.73%	30-yr T-Bond	3.78%
Money Market Funds	0.04%	30-yr Mortgage	4.38%
6-mo CD	0.90%	Prime Rate	3.25%
1-yr CD	1.27%	Bond Buyer 40	4.90%

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

Market Indicators

As of 09/03	
TED Spread	16 bps
Investment Grade Spread (A2)	199 bps
ML High Yield Master II Index Spread	664 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 08/25/10

Estimated Flows to Long-Term Mutual Funds

	Current Week	Previous
Domestic Equity	-\$4.313 Billion	-\$2.706 Billion
Foreign Equity	-\$292 Million	-\$110 Million
Taxable Bond	\$4.836 Billion	\$6.546 Billion
Municipal Bond	\$1.120 Billion	\$1.378 Billion

Change in Money Market Fund Assets

	Current Week	Previous
Retail	-\$0.47 Billion	-\$3.40 Billion
Institutional	-\$5.75 Billion	\$7.10 Billion

Source: Investment Company Institute

Factoids for the week of August 30th – September 7th

Monday, August 30, 2010

The yield on the 10-yr. T-Bond closed this past Friday at 2.65%, well below its average of 6.63% over the past 50 years, according to Bespoke Investment Group. The all-time high for the 10-yr. T-Bond (at close of trading) was 15.84% on September 30, 1981, while the all-time low was 2.06% on December 30, 2008, according to data from Bloomberg. The real yield on the 10-yr. T-Bond (coupon less core inflation rate) as of last Friday was 1.75%, well below its 50-year average of 2.66%.

Tuesday, August 31, 2010

The Federal Deposit Insurance Corporation (FDIC) reported mixed results for the banking industry in Q2'10. The FDIC noted that while earnings rose from \$17.8 billion in Q1'10 to \$21.6 billion the increase stemmed largely from banks putting away less money to cover loan losses, according to Reuters. Net loan and lease balances fell by 1.3% and loans to small businesses and farms dropped 1.8%. The number of banks on the FDIC's problem list (names not disclosed) jumped from 775 in Q1'10 to 829. So far this year, 118 banks have failed. A total of 140 banks failed in 2009.

Wednesday, September 1, 2010

More homeowners are choosing to pay down their mortgages faster these days thanks to the low rate environment. In the first half of 2010, data from CoreLogic showed that 26% of homeowners who refinanced chose a 15-year fixed-rate mortgage, up from 18.5% in 2009, according to MarketWatch.com. In 2007, it was closer to 9.4%. The average rate on a 15-year fixed-rate mortgage was 3.86% as of August 26, according to Freddie Mac.

Thursday, September 2, 2010

In August, the dividend-payers (368) in the S&P 500 (equal weight) posted a total return of -4.93%, vs. -4.80% for the non-payers (132), according to Standard & Poor's. Year-to-date, the payers were down 0.62%, vs. a loss of 3.41% for the non-payers. For the 12-month period ended August, payers were up 11.37%, vs. a gain of 9.23% for the non-payers. The number of dividend increases year-to-date totaled 165, up from 100 increases a year ago. Two companies decreased their dividends, down from 61 a year ago. One company suspended its dividend, down from 10 a year ago.

Friday, September 3, 2010

Worldwide semiconductor sales totaled \$25.2 billion in July, up 37% from the \$18.4 billion sold in July 2009, according to the Semiconductor Industry Association (SIA). The SIA reported that sales totaled \$169.2 billion in the first seven months of this year, up 46.7% from \$115.3 billion at this point last year. With respect to semiconductor equipment manufacturers, the North America-based companies posted \$1.83 billion in orders in July (three-month average), up 220.4% from the \$571.8 billion posted in July 2009, according to Semi.org.