

Stock Index Performance

Index	Week	YTD	12-mo.	2010	5-yr.
Dow Jones Industrial Avg. (11,103)	1.84%	-2.13%	4.11%	14.06%	1.43%
S&P 500 (1,155)	2.21%	-6.66%	1.81%	15.06%	-0.96%
NASDAQ 100 (2,203)	3.01%	-0.03%	10.48%	20.15%	6.21%
S&P 500 Growth	2.55%	-3.13%	6.37%	15.09%	1.72%
S&P 500 Value	1.82%	-10.31%	-2.75%	15.13%	-3.72%
S&P MidCap 400 Growth	2.24%	-8.15%	5.22%	30.65%	4.68%
S&P MidCap 400 Value	2.39%	-13.78%	-3.87%	22.80%	0.20%
S&P SmallCap 600 Growth	2.67%	-8.17%	6.35%	28.43%	2.62%
S&P SmallCap 600 Value	2.07%	-15.11%	-2.89%	25.01%	-1.47%
MSCI EAFE	2.01%	-13.27%	-10.47%	7.75%	-3.20%
MSCI World (ex US)	1.54%	-15.52%	-12.07%	11.15%	-1.37%
MSCI World	2.03%	-10.42%	-4.62%	11.76%	-1.98%
MSCI Emerging Markets	0.42%	-21.55%	-17.89%	18.88%	4.79%

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 10/07/11.

S&P Sector Performance

Index	Week	YTD	12-mo.	2010	5-yr.
Consumer Discretionary	4.11%	-1.85%	8.89%	27.85%	1.91%
Consumer Staples	1.06%	4.48%	9.95%	14.12%	6.59%
Energy	3.46%	-8.35%	8.13%	20.46%	4.38%
Financials	0.12%	-25.05%	-18.17%	12.18%	-17.63%
Health Care	0.36%	2.89%	5.97%	2.90%	1.20%
Industrials	3.42%	-11.77%	-3.46%	26.74%	-1.25%
Information Technology	3.40%	-2.59%	6.67%	10.22%	3.73%
Materials	6.25%	-16.80%	-3.23%	22.34%	2.16%
Telecom Services	-0.19%	-1.70%	4.64%	18.97%	1.40%
Utilities	-0.71%	9.99%	9.92%	5.46%	3.61%

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 10/07/11.

Bond Index Performance

Index	Week	YTD	12-mo.	2010	5-yr.
U.S. Treasury: Intermediate	-0.41%	5.38%	2.99%	5.29%	5.99%
GNMA 30 Year	-0.35%	6.25%	5.75%	6.71%	6.96%
U.S. Aggregate	-0.62%	5.99%	4.01%	6.54%	6.42%
U.S. Corporate High Yield	-0.75%	-2.13%	-0.16%	15.12%	6.85%
U.S. Corporate Investment Grade	-1.08%	4.96%	2.41%	9.00%	6.52%
Municipal Bond: Long Bond (22+)	-0.96%	11.54%	3.18%	1.12%	4.00%
Global Aggregate	0.01%	5.40%	2.59%	5.55%	6.95%

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 10/07/11.

Key Rates

As of 10/07/11

Fed Funds	0.00-0.25%	5-yr CD	1.65%
LIBOR (1-month)	0.24%	2-yr T-Note	0.28%
CPI - Headline	3.80%	5-yr T-Note	1.07%
CPI - Core	2.00%	10-yr T-Note	2.06%
Money Market Accts.	0.55%	30-yr T-Bond	3.00%
Money Market Funds	0.02%	30-yr Mortgage	4.12%
6-mo CD	0.51%	Prime Rate	3.25%
1-yr CD	0.80%	Bond Buyer 40	4.98%

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

Market Indicators

As of 10/07/11

TED Spread	38 bps
Investment Grade Spread (A2)	279 bps
ML High Yield Master II Index Spread	857 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 9/28/11

Estimated Flows to Long-Term Mutual Funds

	Current Week	Previous
Domestic Equity	-\$5.673 Billion	-\$3.885 Billion
Foreign Equity	-\$802 Million	\$1.110 Billion
Taxable Bond	\$3.458 Billion	\$1.184 Billion
Municipal Bond	\$80 Million	\$569 Million

Change in Money Market Fund Assets

	Current Week	Previous
Retail	\$5.73 Billion	-\$2.71 Billion
Institutional	-\$0.86 Billion	\$15.92 Billion

Source: Investment Company Institute

Factoids for the week of October 3rd - 7th

Monday, October 3, 2011

The VIX Index surged 160% from 16.52 to 42.96 in Q3'11. The S&P 500 fell 13.9% in Q3. The VIX rarely climbs above 40. Over the past 20 years, it has been above 40 only about 3% of the time, according to Bloomberg. The good news is stocks often rebound following a sharp sell-off like the one just experienced. Tim Hayes, chief investment strategist for Ned Davis Research, noted that, since 1924, the S&P 500 has gained a median 4.9% in Q4 when following Q3 losses surpassing 8%.

Tuesday, October 4, 2011

In September, the dividend-payers (389) in the S&P 500 (equal weight) posted a total return of -8.73%, vs. -10.83% for the non-payers (111), according to Standard & Poor's. Y-T-D, the payers were down 10.80%, vs. a decline of 15.26% for the non-payers. For the 12-month period ended September '11, payers were down 0.17%, vs. a decline of 5.15% for the non-payers. The number of dividend increases y-t-d totaled 242, up from 177 increases a year ago. Seventeen companies initiated dividends, up from 10 a year ago. Four dividends were cut, up from two cuts last year.

Wednesday, October 5, 2011

Office rents are rising again. Data from Reis Incorporated shows that the average effective rent, the amount tenants pay after deducting any landlord concessions, rose from \$22.25 per square foot in Q2'11 to \$22.39 in Q3'11, the highest it has been since Q4'09, according to Bloomberg. The average was \$22.04 a year ago. Landlords had a net increase in occupied space of 6.19 million square feet, the fourth straight gain. The national vacancy rate dropped slightly from 17.5% to 17.4%.

Thursday, October 6, 2011

Approximately 7,000 publicly owned companies report dividend information to Standard & Poor's Dividend Record. In Q3'11, the number of companies that increased their distributions totaled 350 - up 17.1% from the 299 increases registered in Q3'10. The number of companies that decreased their distributions totaled 23 - down 34.3% from the 35 decreases registered in Q3'10. Howard Silverblatt, Senior Index Analyst at S&P, reported that payout rates, which on a historical basis have averaged 52%, remain near their lows at less than 30%. So companies have a lot of room to boost their dividend distributions.

Friday, October 7, 2011

Moody's reported that the global speculative-grade default rate stood at 1.8% in September, no change from August, according to *The Wall Street Journal*. The rate was 4.0% a year ago. Moody's is forecasting a default rate of 1.4% for December 2011. The U.S. speculative-grade default rate stood at 2.0% in September, down from 2.1% in August. The rate was 4.0% a year ago. The default rate on senior loans stood at 0.90% in September, down from 1.05% in August, according to Standard & Poor's LCD. At this pace, the default rate could fall to 0.23% by yearend.