

Stock Index Performance

Index	Week	YTD	12-mo.	2010	5-yr.
Dow Jones Industrial Avg. (12,231)	3.58%	7.89%	12.99%	14.06%	3.00%
S&P 500 (1,285)	3.79%	3.87%	10.78%	15.06%	0.76%
NASDAQ 100 (2,401)	2.80%	8.99%	13.75%	20.15%	7.65%
S&P 500 Growth	3.56%	6.72%	12.96%	15.09%	3.31%
S&P 500 Value	4.06%	0.95%	8.59%	15.13%	-1.86%
S&P MidCap 400 Growth	6.23%	4.34%	15.53%	30.65%	6.76%
S&P MidCap 400 Value	5.29%	-1.31%	7.88%	22.80%	2.30%
S&P SmallCap 600 Growth	6.72%	4.89%	17.73%	28.43%	4.67%
S&P SmallCap 600 Value	6.35%	-1.46%	10.50%	25.01%	0.79%
MSCI EAFE	6.28%	-3.32%	-0.53%	7.75%	-1.77%
MSCI World (ex US)	7.10%	-5.21%	-1.56%	11.15%	0.18%
MSCI World	5.03%	-0.19%	4.92%	11.76%	-0.43%
MSCI Emerging Markets	9.80%	-10.24%	-6.13%	18.88%	6.81%

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 10/28/11.

S&P Sector Performance

Index	Week	YTD	12-mo.	2010	5-yr.
Consumer Discretionary	0.74%	7.11%	14.48%	27.85%	3.03%
Consumer Staples	0.24%	9.44%	12.95%	14.12%	7.06%
Energy	5.76%	8.50%	24.68%	20.46%	6.63%
Financials	6.98%	-10.99%	-2.22%	12.18%	-14.87%
Health Care	3.36%	10.55%	11.66%	2.90%	2.45%
Industrials	4.80%	-0.26%	8.75%	26.74%	1.29%
Information Technology	4.07%	7.06%	10.80%	10.22%	5.40%
Materials	7.87%	-3.79%	8.42%	22.34%	4.25%
Telecom Services	1.37%	3.16%	9.68%	18.97%	1.30%
Utilities	0.49%	15.51%	15.68%	5.46%	3.69%

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 10/28/11.

Bond Index Performance

Index	Week	YTD	12-mo.	2010	5-yr.
U.S. Treasury: Intermediate	-0.17%	5.14%	3.16%	5.29%	5.88%
GNMA 30 Year	0.33%	6.68%	5.97%	6.71%	6.95%
U.S. Aggregate	0.15%	6.27%	4.74%	6.54%	6.38%
U.S. Corporate High Yield	2.36%	4.73%	5.46%	15.12%	8.12%
U.S. Corporate Investment Grade	0.83%	7.28%	5.78%	9.00%	6.86%
Municipal Bond: Long Bond (22+)	-0.33%	11.64%	3.66%	1.12%	3.88%
Global Aggregate	1.00%	7.55%	5.08%	5.55%	7.19%

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 10/28/11.

Key Rates

As of 10/28/11

Fed Funds	0.00-0.25%	5-yr CD	1.54%
LIBOR (1-month)	0.25%	2-yr T-Note	0.29%
CPI - Headline	3.90%	5-yr T-Note	1.13%
CPI - Core	2.00%	10-yr T-Note	2.32%
Money Market Accts.	0.50%	30-yr T-Bond	3.37%
Money Market Funds	0.02%	30-yr Mortgage	4.20%
6-mo CD	0.47%	Prime Rate	3.25%
1-yr CD	0.74%	Bond Buyer 40	5.02%

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

Market Indicators

As of 10/28/11

TED Spread	43 bps
Investment Grade Spread (A2)	227 bps
ML High Yield Master II Index Spread	686 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 10/19/11

Estimated Flows to Long-Term Mutual Funds

	Current Week	Previous
Domestic Equity	-\$3.465 Billion	-\$5.938 Billion
Foreign Equity	\$177 Million	-\$1.546 Billion
Taxable Bond	\$5.100 Billion	\$4.011 Billion
Municipal Bond	\$548 Million	\$28 Million

Change in Money Market Fund Assets

	Current Week	Previous
Retail	-\$6.80 Billion	-\$1.18 Billion
Institutional	\$6.78 Billion	-\$0.81 Billion

Source: Investment Company Institute

Factoids for the week of October 24th – 28th

Monday, October 24, 2011

High yield corporate bond spreads have narrowed for nine consecutive days indicating that investors are once again willing to assume some risk, according to Bespoke Investment Group. Spreads narrowed even on those days when stocks were down. The spread between the Merrill Lynch High Yield Master II Index and the 10-Year T-Note stood at 838 basis points on 10/4, but has since declined to 709.

Tuesday, October 25, 2011

For the 92 nonfinancial companies in the S&P 500 that had reported Q3'11 earnings by 10/20, aggregate cash and equivalents increased 8.0% from \$381.8 billion in Q2'11 to \$412.2 billion, according to S&P Capital IQ. Total cash holdings for all nonfinancial firms in the index stood at around \$1.1 trillion at the start of Q3. That figure was \$654.6 billion in 2008.

Wednesday, October 26, 2011

The American Wind Energy Association announced that the U.S. wind industry installed 1,204 megawatts (MW) of wind power in Q3'11, up 79% from the 671 MW installed in Q3'10, according to Reuters. It also noted that an additional 8,400 MW was under construction. The total so far in 2011 is 3,360 MW. Overall, the U.S. has 43,461 MW of wind capacity, which is capable of supplying energy to 10 million homes.

Thursday, October 27, 2011

Corporate insiders (officers and directors) bought \$1.2 billion of their own company's stock in August, the most since November 2008, according to SmartMoney.com. Buyers outnumbered the sellers 2.5 to 1. Sellers usually outnumber the buyers. A strong month of buying, like we saw in August, has been a fairly reliable bullish signal in the past. In fact, a ratio like the one in August has correctly marked 12 of 14 market bottoms, including March 2009, since 2004.

Friday, October 28, 2011

A study by Texas Tech University and the University of Missouri found that financial literacy in America peaks for individuals around the ages of 45-49, according to MarketWatch.com. The study consisted of a 10 question test that inquired about money, insurance, investments and credit knowledge. The 45-49 year old group answered, on average, 6.4 of the 10 questions correctly. The number of correct answers dropped below 6.0 beginning at age 65. Those in their early 80s answered just 3.3 correctly, on average. The National Council on Aging reported that older adults represent 12% of the U.S. population, but account for 35% of all fraud victims.