

Stock Index Performance

| Index                              | Week  | YTD     | 12-mo.  | 2010   | 5-yr.  |
|------------------------------------|-------|---------|---------|--------|--------|
| Dow Jones Industrial Avg. (12,294) | 3.61% | 9.04%   | 9.20%   | 14.06% | 2.69%  |
| S&P 500 (1,265)                    | 3.79% | 2.71%   | 2.63%   | 15.06% | -0.02% |
| NASDAQ 100 (2,288)                 | 2.21% | 4.11%   | 3.26%   | 20.15% | 6.26%  |
| S&P 500 Growth                     | 3.29% | 5.09%   | 4.80%   | 15.09% | 2.57%  |
| S&P 500 Value                      | 4.38% | 0.34%   | 0.48%   | 15.13% | -2.66% |
| S&P MidCap 400 Growth              | 2.90% | -0.28%  | -0.97%  | 30.65% | 5.46%  |
| S&P MidCap 400 Value               | 3.99% | -1.87%  | -2.25%  | 22.80% | 1.64%  |
| S&P SmallCap 600 Growth            | 2.98% | 4.63%   | 3.67%   | 28.43% | 4.22%  |
| S&P SmallCap 600 Value             | 4.98% | -0.16%  | -1.30%  | 25.01% | 0.72%  |
| MSCI EAFE                          | 2.28% | -12.85% | -12.08% | 7.75%  | -4.70% |
| MSCI World (ex US)                 | 2.51% | -13.98% | -12.81% | 11.15% | -2.77% |
| MSCI World                         | 3.15% | -5.60%  | -5.10%  | 11.76% | -2.23% |
| MSCI Emerging Markets              | 2.62% | -17.43% | -15.59% | 18.88% | 3.11%  |

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 12/23/11.

S&P Sector Performance

| Index                  | Week  | YTD     | 12-mo.  | 2010   | 5-yr.   |
|------------------------|-------|---------|---------|--------|---------|
| Consumer Discretionary | 3.35% | 6.71%   | 5.66%   | 27.85% | 2.24%   |
| Consumer Staples       | 3.43% | 14.42%  | 14.10%  | 14.12% | 7.78%   |
| Energy                 | 5.44% | 5.45%   | 6.75%   | 20.46% | 4.95%   |
| Financials             | 4.87% | -15.97% | -16.11% | 12.18% | -16.51% |
| Health Care            | 3.96% | 13.21%  | 12.53%  | 2.90%  | 3.00%   |
| Industrials            | 4.46% | 0.33%   | 0.29%   | 26.74% | 0.71%   |
| Information Technology | 2.02% | 2.88%   | 2.57%   | 10.22% | 4.10%   |
| Materials              | 4.20% | -8.67%  | -7.58%  | 22.34% | 2.25%   |
| Telecom Services       | 3.37% | 5.50%   | 6.56%   | 18.97% | 1.66%   |
| Utilities              | 3.66% | 19.48%  | 19.31%  | 5.46%  | 3.71%   |

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 12/23/11.

Bond Index Performance

| Index                           | Week   | YTD    | 12-mo. | 2010   | 5-yr. |
|---------------------------------|--------|--------|--------|--------|-------|
| U.S. Treasury: Intermediate     | -0.54% | 6.06%  | 6.48%  | 5.29%  | 5.53% |
| GNMA 30 Year                    | -0.28% | 7.53%  | 8.06%  | 6.71%  | 6.52% |
| U.S. Aggregate                  | -0.63% | 7.05%  | 7.66%  | 6.54%  | 6.01% |
| U.S. Corporate High Yield       | 0.64%  | 4.45%  | 4.97%  | 15.12% | 8.19% |
| U.S. Corporate Investment Grade | -0.96% | 6.80%  | 7.80%  | 9.00%  | 6.17% |
| Municipal Bond: Long Bond (22+) | 0.13%  | 14.21% | 14.08% | 1.12%  | 4.59% |
| Global Aggregate                | -0.23% | 4.99%  | 6.97%  | 5.55%  | 6.34% |

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 12/23/11.

Key Rates

As of 12/23/11

|                     |            |                |       |
|---------------------|------------|----------------|-------|
| Fed Funds           | 0.00-0.25% | 5-yr CD        | 1.41% |
| LIBOR (1-month)     | 0.29%      | 2-yr T-Note    | 0.28% |
| CPI - Headline      | 3.40%      | 5-yr T-Note    | 0.97% |
| CPI - Core          | 2.20%      | 10-yr T-Note   | 2.02% |
| Money Market Accts. | 0.47%      | 30-yr T-Bond   | 3.05% |
| Money Market Funds  | 0.02%      | 30-yr Mortgage | 3.97% |
| 6-mo CD             | 0.44%      | Prime Rate     | 3.25% |
| 1-yr CD             | 0.72%      | Bond Buyer 40  | 4.89% |

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

Market Indicators

As of 12/23/11

|                                      |         |
|--------------------------------------|---------|
| TED Spread                           | 57 bps  |
| Investment Grade Spread (A2)         | 272 bps |
| ML High Yield Master II Index Spread | 738 bps |

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 12/14/11

|                 | Current Week     | Previous         |
|-----------------|------------------|------------------|
| Domestic Equity | -\$3.979 Billion | -\$5.763 Billion |
| Foreign Equity  | -\$1.515 Billion | -\$2.196 Billion |
| Taxable Bond    | \$4.705 Billion  | \$2.076 Billion  |
| Municipal Bond  | \$868 Million    | \$1.456 Billion  |

  

|               | Current Week    | Previous        |
|---------------|-----------------|-----------------|
| Retail        | \$2.92 Billion  | -\$0.12 Billion |
| Institutional | \$11.29 Billion | \$0.15 Billion  |

Source: Investment Company Institute

Factoids for the week of December 19th – 23rd

Monday, December 19, 2011

The U.S. is the 13th best performing equities market year-to-date of the 78 countries tracked by Bespoke Investment Group, according to its own release last Friday. While the S&P 500 has declined 3.0%, the average return for the entire group is -14.2%. Only 10 markets have posted positive returns and many of them are frontier markets. The top three are Venezuela (+79.2%), Pakistan (+31.9%) and Jamaica (+11.4%). The worst performer is Greece, down 53.6%.

Tuesday, December 20, 2011

A report from IDC reveals that business investment in cloud computing, mobile, social networking and big data analytics will account for 80% of IT spending growth between now and 2020, according to Silicon.com. Global spending on tablets and mobile phones will surpass spending on PCs in 2012. IDC's Frank Gens, senior vice president and chief analyst, sees 2012 as a pivotal year where businesses will begin to feel an urgency to act. IDC sees the cloud becoming the default platform for business software in 2012. It estimates that 80% of new commercial enterprise apps will be deployed on cloud platforms. IDC estimates that mobile app downloads will hit 85 billion in 2012 – generating more revenue than the mainframe market.

Wednesday, December 21, 2011

Gold futures are trading around \$1,619 per ounce this morning. Platinum futures are trading around \$1,432 per ounce. Historically, platinum has traded at a \$100 or better premium to gold, according to Fortune. The price of gold is down roughly 15% from its recent peak of about \$1,900 per ounce. A 20% sell-off constitutes a bear market. If the sentiment towards gold continues to tilt negative its price could fall to \$1,300 per ounce or lower to fall in line with its normal spread versus platinum, according to Mark Williams at Boston University.

Thursday, December 22, 2011

S&P 500 stock buybacks totaled \$118.4 billion in Q3'11, up 48.7% from the \$79.6 billion executed in Q3'10, according to Standard & Poor's. It was the ninth consecutive quarter companies increased their buyback activity. Buybacks in Q3'09 totaled \$34.9 billion. Buybacks peaked at \$172.0 billion in Q2'07. Information Technology was the most active sector in Q3 accounting for 19.9% of all buybacks. Through the first three quarters of this year, S&P 500 buybacks totaled \$317.5 billion, compared to \$174.3 billion in dividend distributions.

Friday, December 23, 2011

J.D. Power and Associates and LMC Automotive estimate that new vehicle retail sales will total 1,033,700 in December, the first time retail sales will surpass 1 million since Cash for Clunkers achieved it in August 2009, according to USA TODAY. Retail vehicle sales are on pace to top last December's total by 8%.