

Stock Index Performance

Index	Week	YTD	12-mo.	2011	5-yr.
Dow Jones Industrial Avg. (13,233)	2.47%	8.99%	17.07%	8.41%	4.62%
S&P 500 (1,404)	2.48%	12.19%	14.14%	2.12%	2.44%
NASDAQ 100 (2,713)	2.50%	19.36%	24.41%	3.69%	10.05%
S&P 500 Growth	2.11%	11.43%	17.60%	4.70%	5.13%
S&P 500 Value	2.91%	13.09%	10.81%	-0.48%	-0.28%
S&P MidCap 400 Growth	1.25%	14.48%	9.70%	-0.95%	7.65%
S&P MidCap 400 Value	2.13%	13.85%	8.16%	-2.40%	3.50%
S&P SmallCap 600 Growth	1.28%	10.49%	13.38%	3.67%	5.84%
S&P SmallCap 600 Value	2.39%	12.77%	12.16%	-1.34%	2.80%
MSCI EAFE	2.43%	12.49%	1.96%	-12.14%	-2.52%
MSCI World (ex US)	1.72%	13.01%	0.58%	-13.71%	-0.47%
MSCI World	2.29%	12.15%	7.24%	-5.54%	0.02%
MSCI Emerging Markets	0.35%	16.37%	-0.57%	-18.42%	6.17%

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 3/16/12.

S&P Sector Performance

Index	Week	YTD	12-mo.	2011	5-yr.
Consumer Discretionary	1.24%	14.12%	20.60%	6.24%	5.29%
Consumer Staples	1.09%	3.73%	20.51%	14.03%	8.51%
Energy	1.27%	7.59%	4.46%	4.72%	7.21%
Financials	5.89%	21.44%	1.11%	-17.07%	-12.70%
Health Care	1.51%	6.78%	19.93%	12.77%	4.33%
Industrials	3.16%	12.75%	10.22%	-0.59%	2.99%
Information Technology	3.16%	19.95%	24.91%	2.43%	8.16%
Materials	1.78%	11.69%	4.72%	-9.68%	2.82%
Telecom Services	1.04%	3.98%	15.88%	6.33%	1.70%
Utilities	-0.41%	-2.52%	18.20%	20.02%	2.20%

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 3/16/12.

Bond Index Performance

Index	Week	YTD	12-mo.	2011	5-yr.
U.S. Treasury: Intermediate	-0.73%	-0.81%	4.70%	6.57%	5.52%
GNMA 30 Year	-0.24%	0.25%	7.06%	7.97%	6.70%
U.S. Aggregate	-0.69%	-0.04%	6.50%	7.84%	6.13%
U.S. Corporate High Yield	0.15%	5.38%	7.23%	4.98%	8.15%
U.S. Corporate Investment Grade	-0.82%	1.62%	7.95%	8.15%	6.74%
Municipal Bond: Long Bond (22+)	-0.56%	3.26%	17.84%	14.88%	4.59%
Global Aggregate	-0.79%	-0.16%	3.53%	5.64%	6.06%

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 3/16/12.

Key Rates

As of 3/16/12

Fed Funds	0.00-0.25%	5-yr CD	1.38%
LIBOR (1-month)	0.24%	2-yr T-Note	0.36%
CPI - Headline	2.90%	5-yr T-Note	1.11%
CPI - Core	2.20%	10-yr T-Note	2.29%
Money Market Accts.	0.47%	30-yr T-Bond	3.40%
Money Market Funds	0.03%	30-yr Mortgage	4.02%
6-mo CD	0.43%	Prime Rate	3.25%
1-yr CD	0.67%	Bond Buyer 40	4.67%

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

Market Indicators

As of 3/16/12

TED Spread	39 bps
Investment Grade Spread (A2)	215 bps
ML High Yield Master II Index Spread	588 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 3/7/12

	Current Week	Previous
Domestic Equity	-\$1.378 Billion	-\$3.064 Billion
Foreign Equity	\$1.252 Billion	\$226 Million
Taxable Bond	\$9.078 Billion	\$5.569 Billion
Municipal Bond	\$1.655 Billion	\$1.128 Billion

  

	Current Week	Previous
Retail	-\$5.90 Billion	-\$2.27 Billion
Institutional	-\$2.29 Billion	-\$4.77 Billion

Source: Investment Company Institute

Factoids for the week of March 12th – 16th

Monday, March 12, 2012

The Federal Deposit Insurance Corporation reported that bank earnings rose 23% (y-o-y) in Q4'11 to \$26.3 billion, according to Yahoo! Finance. For all of 2011, earnings totaled \$119.5 billion. That was up 40% (y-o-y), and the best showing since 2006. About 63% of banks reported improved earnings. Only 19% were unprofitable. Banks with assets exceeding \$10 billion (constitute just 1.4% of U.S. banks) accounted for 83% of the earnings.

Tuesday, March 13, 2012

Data from InvestTech Research shows that, since 1900, the DJIA has gained 7.3%, on average, in presidential election years, according to Kiplinger.com. If you exclude 2008, a year plagued by a global financial crisis, the average jumps to 8.8%. Gains often come in the latter months. The best performing sectors have been energy and consumer staples, according to Standard & Poor's.

Wednesday, March 14, 2012

A new study reported that 1% of patients in the U.S. account for more than 25% of health care spending among the privately insured, according to The New York Times. Their medical bills average nearly \$100,000 a year for multiple hospital stays, trips to the doctor's office, emergency room visits and prescription drugs. The following breaks down how the Blue Shield of California's health plan dollar is spent: 40¢ (Hospitals); 28¢ (Physicians); 13¢ (Administrative Costs); 12¢ (Pharmaceuticals); 5¢ (Other); and 2¢ (Blue Shield Income).

Thursday, March 15, 2012

The yield on the 10-Year T-Note is up about 30 basis points to 2.26% so far in March. Its average yield was 4.26% over the past five years. Foreign demand for U.S. Treasuries is still fairly strong. Total foreign holdings rose 0.9% in January to \$5.05 trillion, the sixth consecutive monthly increase, according to the Associated Press. China increased its holdings for the first time in six months. China and Japan own the most abroad at \$1.16 trillion and \$1.08 trillion, respectively. The Federal Reserve owns the most at \$1.65 trillion, but total U.S. intragovernmental holdings approach \$6.4 trillion. The Congressional Budget Office just released a new estimate putting the current fiscal year's deficit (ends 9/12) at \$1.2 trillion. If accurate, it would mark the nation's fourth straight trillion dollar-plus deficit.

Friday, March 16, 2012

The nonfinancial companies in the S&P 500 were holding cash and equivalents valued at \$1.176 trillion at the close of 2011, up 9.6% from \$1.073 trillion in 2010, according to S&P Capital IQ Global Markets Intelligence group. The three sectors with the biggest cash piles are Information Technology (\$387.3 billion), Health Care (\$234.1 billion) and Industrials (\$174.4 billion). These three also happen to be sporting the highest 2012 estimated earnings growth rates, according to data from S&P. They are as follows: Information Technology (+15.87%), Industrials (+13.66%) and Health Care (+11.68%). The S&P 500 has an estimated earnings growth rate of 8.92% for 2012.