

Stock Index Performance

Index	Week	YTD	12-mo.	2011	5-yr.
Dow Jones Industrial Avg. (12,850)	-1.61%	5.95%	7.59%	8.41%	3.18%
S&P 500 (1,370)	-1.97%	9.63%	6.53%	2.12%	1.01%
NASDAQ 100 (2,699)	-2.29%	18.81%	17.74%	3.69%	9.03%
S&P 500 Growth	-1.87%	10.16%	10.60%	4.70%	3.87%
S&P 500 Value	-2.09%	8.99%	2.39%	-0.48%	-1.91%
S&P MidCap 400 Growth	-1.79%	11.26%	1.54%	-0.95%	5.78%
S&P MidCap 400 Value	-2.22%	8.92%	-0.63%	-2.40%	1.63%
S&P SmallCap 600 Growth	-2.27%	7.79%	4.34%	3.67%	4.10%
S&P SmallCap 600 Value	-2.74%	8.26%	3.54%	-1.34%	1.03%
MSCI EAFE	-1.15%	6.32%	-11.20%	-12.14%	-4.85%
MSCI World (ex US)	-1.10%	7.53%	-11.53%	-13.71%	-2.84%
MSCI World	-1.58%	7.94%	-3.06%	-5.54%	-1.87%
MSCI Emerging Markets	-0.93%	12.53%	-11.22%	-18.42%	3.48%

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 4/13/12.

S&P Sector Performance

Index	Week	YTD	12-mo.	2011	5-yr.
Consumer Discretionary	-1.04%	14.63%	15.96%	6.24%	4.56%
Consumer Staples	-1.31%	4.07%	13.40%	14.03%	7.58%
Energy	-2.70%	-0.75%	-7.11%	4.72%	3.20%
Financials	-2.75%	16.75%	-5.34%	-17.07%	-13.83%
Health Care	-2.48%	6.10%	12.02%	12.77%	2.78%
Industrials	-1.80%	7.98%	0.32%	-0.59%	1.57%
Information Technology	-1.97%	19.15%	18.95%	2.43%	7.18%
Materials	-1.00%	8.53%	-3.73%	-9.68%	1.24%
Telecom Services	-1.26%	0.89%	2.85%	6.33%	0.11%
Utilities	-1.68%	-3.69%	13.39%	20.02%	0.72%

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 4/13/12.

Bond Index Performance

Index	Week	YTD	12-mo.	2011	5-yr.
U.S. Treasury: Intermediate	0.21%	0.21%	6.61%	6.57%	5.81%
GNMA 30 Year	0.15%	1.04%	8.30%	7.97%	6.90%
U.S. Aggregate	0.25%	1.11%	8.34%	7.84%	6.47%
U.S. Corporate High Yield	-0.25%	5.10%	5.33%	4.98%	7.97%
U.S. Corporate Investment Grade	0.20%	3.02%	9.93%	8.15%	7.20%
Municipal Bond: Long Bond (22+)	0.67%	4.49%	20.78%	14.88%	5.05%
Global Aggregate	0.62%	1.03%	4.75%	5.64%	6.39%

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 4/13/12.

Key Rates

As of 4/13/12			
Fed Funds	0.00-0.25%	5-yr CD	1.37%
LIBOR (1-month)	0.24%	2-yr T-Note	0.26%
CPI - Headline	2.70%	5-yr T-Note	0.85%
CPI - Core	2.30%	10-yr T-Note	1.98%
Money Market Accts.	0.45%	30-yr T-Bond	3.13%
Money Market Funds	0.03%	30-yr Mortgage	3.88%
6-mo CD	0.43%	Prime Rate	3.25%
1-yr CD	0.67%	Bond Buyer 40	4.56%

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

Market Indicators

As of 4/13/12	
TED Spread	38 bps
Investment Grade Spread (A2)	232 bps
ML High Yield Master II Index Spread	628 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 4/4/12		
	Current Week	Previous
Domestic Equity	-\$4.273 Billion	-\$3.528 Billion
Foreign Equity	\$1.224 Billion	-\$906 Million
Taxable Bond	\$9.092 Billion	\$5.468 Billion
Municipal Bond	\$572 Million	\$656 Million

Change in Money Market Fund Assets for the Week Ended 4/11/12		
	Current Week	Previous
Retail	-\$3.08 Billion	-\$0.08 Billion
Institutional	-\$3.07 Billion	-\$15.13 Billion

Source: Investment Company Institute

Factoids for the week of April 9th – 13th

Monday, April 9, 2012

Natural gas is trading at around \$2.09 per million British thermal units this morning – a 10-year low. The price stood at \$4.04 a year ago. Thanks to new drilling technologies, U.S. production of natural gas has boomed. In 2011, production averaged 63 billion cubic feet of natural gas per day, up 24% from 2006 levels, according to CNBC.com. Demand, however, has only grown by half that much. Since October 2011, the number of drilling rigs exploring for natural gas has declined by 30% to 658, according to Baker Hughes. Companies are shifting workers over to oil rigs, where the rig count is at a 25-year high. Due to the mild winter season, there is 2.5 trillion cubic feet of natural gas in storage, up from the usual 1.5 trillion cubic feet this time of year. The U.S. has 4.4 trillion cubic feet of storage capacity. Unless demand picks up, these storage facilities will continue to fill and the price of natural gas could briefly fall below \$1.00, according to Anthony Yuen, commodities analyst at Citigroup.

Tuesday, April 10, 2012

Moody's reported that the global speculative-grade default rate stood at 2.3% in March, up from 2.0% in February, according to Barrons.com. The rate was 2.6% a year ago. Moody's is forecasting a default rate of 3.0% for December 2012. The U.S. speculative-grade default rate stood at 2.8% in March, up from 2.2% in February. The rate was 2.9% a year ago. The historical average is around 5.0%. A few of the new defaults were related to the same corporate family, or represented second defaults from issuers which had previously defaulted in the last couple of years, according to Albert Metz, managing director of credit policy research at Moody's. The default rate on senior loans stood at 0.61% in March, down slightly from 0.62% in February, according to Standard & Poor's LCD. The historical average by number is 3.28%.

Wednesday, April 11, 2012

The average hedge fund was up 4.6% in Q1'12, as measured by the Hennessee Hedge Fund Index, according to CNNMoney.com. That return was significantly lower than the 12.6% gain posted by the S&P 500. Many hedge fund managers were betting stocks would fall in Q1, according to Charles Gradante at Hennessee Group. Hedge fund managers that typically invest in stocks also lagged the S&P 500, according to fund tracker BarclayHedge. They averaged a gain of 10.4% in Q1. The last time hedge funds outperformed the market was in 2008, according to CNNMoney.com. A recent study by hedge fund investor Simon Lack found that the average investor got only 3% of the average gain of hedge funds for the 12-year period ended 2010. The rest of the gains went to management fees.

Thursday, April 12, 2012

Foreclosure filings in the U.S. fell 16% (y-o-y) in Q1'12, according to RealtyTrac Inc. Notices were sent to 572,928 properties, the lowest total since Q4'07. Filings in March totaled 198,853, the first time since July 2007 the number was below 200,000. One in every 230 U.S. households received a filing. Repossessing a house now takes an average of 370 days. With rents on the rise, more foreclosures are being purchased and turned into rentals/investment properties. Data tracker Corelogic estimates that this market could be worth more than \$100 billion in 2012.

Friday, April 13, 2012

S&P 500 stock buybacks totaled \$91.5 billion in Q4'11, down 22.8% from the \$118.41 billion executed in Q3'11, according to Standard & Poor's. It was the first quarterly decline since Q2'09. Companies likely pulled back on repurchasing stock in Q4'11 because share prices in the index rose 11.15%, according to Howard Silverblatt, Senior Index Analyst at S&P Indices. Buyback volume was up 5.9% (y-o-y) from \$86.36 billion in Q4'10. In 2011, S&P 500 buybacks totaled \$409.0 billion, up 36.9% from \$298.8 billion in 2010.