Friday, August 23, 2013

S&P 500 companies increased their dividend payments approximately 14% in the second quarter of 2013, according to Bespoke Investment Group. While investors have been liquidating shares of ETFs comprised of emerging market equities at the fastest pace on record in 2013, retail investors have continued to funnel capital into open-end emerging market stock mutual funds. Morningstar data, however, shows that retail investors poured a net $27.5 billion into open-end Diversified Emerging Markets stock mutual funds in the first seven months of 2013. Valuations in emerging markets are getting relatively cheap. The forward-looking 12-month price-to-earnings ratio on the MSCI Emerging Markets Index is 10.93, compared to 14.93 for the S&P 500, according to Bloomberg. Economists surveyed by Bloomberg see the U.S. economy growing by 3.0% in 2013, up from 1.8% in 2012. With respect to revenue growth, the final beat rate is expected to be 5.6%, which is higher than three of the past four quarters. Despite the strong showing in the S&P 500 year-to-date (+17.7% thru 8/16), investors funnelled more capital into foreign stock mutual funds than domestics in the first five months of 2013. U.S. Equity and Sector funds combined reported net inflows totaling $43.3 billion, roughly half the $86.9 billion in net inflows for International Equity funds, according to Morningstar.

Wednesday, August 21, 2013

While investors have been liquidating shares of ETFs comprised of emerging market equities at the fastest pace on record in 2013, retail investors have continued to funnel capital into open-end emerging market stock mutual funds. Morningstar data, however, shows that retail investors poured a net $27.5 billion into open-end Diversified Emerging Markets stock mutual funds in the first seven months of 2013. Valuations in emerging markets are getting relatively cheap. The forward-looking 12-month price-to-earnings ratio on the MSCI Emerging Markets Index is 10.93, compared to 14.93 for the S&P 500, according to Bloomberg. Economists surveyed by Bloomberg see the U.S. economy growing by 3.0% in 2015, almost double this year’s pace, while the combined growth rate of the BRICs (Brazil, Russia, India and China), for example, is expected to be 5.9%.

Thursday, August 22, 2013

Real estate data firm Trulia analyzed rent prices in the 25 largest rental markets in the U.S. and found that, on average, prices were up 3.3% (y-o-y) in June, according to MSN.com. That was more than double the rate of inflation in the U.S., which stood at 1.8% in June, as measured by the Consumer Price Index. The five least-affordable rental markets were New York City, Miami, Los Angeles, San Francisco and Boston. In these cities, rents can consume half or more of a renter’s average monthly wage. Demand for apartments is so strong that a recent survey by RealEstate.com found that only not more than rents (up to 39 of the 41 markets) in the current analysis of the current rent prices for the 25 largest rental markets in the U.S. and found that, on average, prices were up 3.3% (y-o-y) in June, according to MSN.com. That was more than double the rate of inflation in the U.S., which stood at 1.8% in June, as measured by the Consumer Price Index. The five least-affordable rental markets were New York City, Miami, Los Angeles, San Francisco and Boston. In these cities, rents can consume half or more of a renter’s average monthly wage. Demand for apartments is so strong that a recent survey by RealEstate.com found that only not more than rents (up to 39 of the 41 markets) in the current analysis of the current rent prices.