

Stock Index Performance

Index	Week	YTD	12-mo.	2008	5-yr
Dow Jones Industrial Avg. (9544)	0.44%	11.35%	-15.67%	-31.92%	1.26%
S&P 500 (1029)	0.31%	15.90%	-18.72%	-36.99%	0.59%
NASDAQ 100 (1643)	0.36%	36.34%	-13.57%	-41.57%	3.94%
S&P 500/Citigroup Growth	0.21%	18.12%	-16.68%	-34.91%	0.93%
S&P 500/Citigroup Value	0.41%	13.55%	-20.87%	-39.19%	0.17%
S&P MidCap 400/Citigroup Growth	0.09%	27.46%	-18.83%	-37.58%	4.49%
S&P MidCap 400/Citigroup Value	1.05%	21.95%	-17.32%	-34.78%	3.86%
S&P SmallCap600/Citigroup Growth	-0.59%	15.96%	-22.12%	-32.84%	3.45%
S&P SmallCap600/Citigroup Value	-0.07%	14.57%	-18.89%	-29.50%	2.61%
MSCI EAFE	2.36%	24.89%	-13.51%	-43.07%	5.88%
MSCI World (ex US)	1.94%	30.80%	-13.02%	-43.26%	7.84%
MSCI World	1.29%	21.04%	-16.72%	-40.39%	3.19%
MSCI Emerging Markets	0.74%	52.92%	-8.72%	-53.49%	16.99%

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 8/28/09.

S&P Sector Performance

Index	Week	YTD	12-mo.	2008	5-yr
Consumer Discretionary	1.05%	25.04%	-11.95%	-33.49%	-1.44%
Consumer Staples	-0.33%	5.14%	-10.64%	-15.44%	4.78%
Energy	-0.26%	4.89%	-27.66%	-34.89%	11.50%
Financials	1.20%	19.28%	-28.80%	-55.23%	-9.96%
Health Care	-0.23%	8.85%	-11.38%	-22.80%	1.20%
Industrials	0.29%	8.74%	-28.13%	-39.92%	-0.95%
Information Technology	0.79%	41.07%	-10.81%	-43.14%	3.24%
Materials	-0.47%	33.75%	-24.26%	-45.64%	4.50%
Telecom Services	-0.11%	-0.92%	-15.38%	-30.47%	1.92%
Utilities	-0.58%	3.98%	-19.47%	-28.99%	7.36%

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 8/28/09.

Bond Index Performance

Index	Week	YTD	12-mo.	2008	5-yr
U.S. Treasury: Intermediate	0.45%	-1.60%	5.42%	11.35%	4.72%
GNMA 30 Year	0.35%	3.95%	8.75%	7.87%	5.68%
U.S. Aggregate	0.62%	4.34%	7.63%	5.24%	5.00%
U.S. Corporate High Yield	0.86%	40.82%	6.50%	-26.16%	5.29%
U.S. Corporate Investment Grade	1.24%	14.65%	9.93%	-4.94%	4.38%
Municipal Bond: Long Bond (22+)	1.94%	18.36%	3.15%	-14.68%	3.74%
Global Aggregate	0.72%	5.41%	8.48%	4.79%	5.99%

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 8/28/09.

Key Rates

As of 8/28

Fed Funds	0.00-0.25%	5-yr CD	2.86%
LIBOR (1-month)	0.26%	2-yr T-Note	1.00%
CPI - Headline	-2.10%	5-yr T-Note	2.44%
CPI - Core	1.50%	10-yr T-Note	3.43%
Money Market Accts.	1.17%	30-yr T-Bond	4.19%
Money Market Funds	0.07%	30-yr Mortgage	5.34%
6-mo. CD	1.31%	Prime Rate	3.25%
1-yr CD	1.76%	Bond Buyer 40	5.33%

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

Market Indicators

As of 8/28

TED Spread	19 bps
Investment Grade Spread (A2)	248 bps
ML High Yield Master II Index Spread	906 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 8/19/09

Estimated Flows to Long-Term Mutual Funds			
	Current Week	Previous	
Domestic Equity	-\$924 Million	\$318	Million
Foreign Equity	\$775 Million	\$2.475	Billion
Taxable Bond	\$6.701 Billion	\$9.860	Billion
Municipal Bond	\$2.393 Billion	\$1.977	Billion
Change in Money Market Fund Assets			
	Current Week	Previous	
Retail	-\$6.51 Billion	-\$2.96	Billion
Institutional	\$8.13 Billion	-\$9.11	Billion

Source: Investment Company Institute

Factoids for the week of August 24th – 28th

Monday, August 24, 2009

Russia's gross domestic product shrank by 10.9% (annualized) in Q2'09, according to Bloomberg. This is the first year in a decade that Russia's economy has not grown. It averaged a growth rate of nearly 7% over that 10-year run. Foreign investment in stocks and bonds fell 25% (y-o-y) to \$862 million. Russia's biggest export is oil. A recovery in the price of oil would provide a boost moving forward. While oil is up \$4.00 per barrel to \$73.89 since the end of June, it is still down 49% from its high of \$145.29 on July 3, 2008.

Tuesday, August 25, 2009

One observation offered by those investors who believe the U.S. stock market is simply experiencing a bear market rally is we saw similar rallies during the Great Depression. The current rally, however, is now longer and more substantial than any posted during the 1929 to 1932 crash, according to Bespoke Investment Group. The biggest rally in the S&P 500 back then was 46.77% over 148 days. The current rally is 51.68% over 165 calendar days.

Wednesday, August 26, 2009

The U.S. needs to spend about \$150 billion a year to adequately maintain its highway infrastructure, according to Ken Simonson, chief economist for The Associated General Contractors of America. Last year's investment totaled \$81.8 billion. The amount of additional stimulus money (The Recovery Act) earmarked for highway infrastructure spending for this year and next is \$27.5 billion. Of the 1,500 highway projects approved by the Department of Transportation so far, 1,071 are for repaving or pavement-widening, according to CNNMoney.com. While such initiatives do put people to work fairly quickly the jobs tend to have a shorter lifespan than those concentrating on bridge repair or building new highways.

Thursday, August 27, 2009

In the first hour of today's trading session the S&P 500 stood at 1,018. The consensus year-end target for the index is 1,022 based on the most recent weekly survey of Wall Street strategists by Bloomberg, according to Bespoke Investment Group. At the start of 2009, strategists were forecasting a price target of 1,049. JP Morgan's Thomas Lee has the highest year-end target at 1,100, while Morgan Stanley's Jason Todd has the lowest at 900.

Friday, August 28, 2009

Noncommercial traders have carved out a larger role in the oil futures market in recent years. A Rice University study found that around 50% of traders in the U.S. oil futures market today are speculators, up from closer to 20% prior to 2002, according to Reuters. In April 2008, three months before oil surged to \$147 per barrel, 71% of oil futures contracts were bought by speculators. While Goldman Sachs sees oil rising to \$92 a barrel over the next 12 months, a Reuters poll of 30 analysts put it at \$73. The fate of oil may boil down to new regulations on position limits due out soon from the U.S. Commodity Futures Trading Commission.