

Stock Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
Dow Jones Industrial Avg. (11,444)	2.98%	12.21%	17.50%	22.68%	4.42%
S&P 500 (1,226)	3.64%	11.77%	17.26%	26.47%	2.23%
NASDAQ 100 (2,187)	2.95%	18.22%	27.92%	54.63%	6.68%
S&P 500 Growth	3.45%	12.59%	17.88%	31.58%	3.64%
S&P 500 Value	3.84%	10.95%	16.75%	21.17%	0.73%
S&P MidCap 400 Growth	3.70%	22.84%	29.75%	41.23%	6.25%
S&P MidCap 400 Value	4.07%	17.10%	26.61%	33.77%	4.45%
S&P SmallCap 600 Growth	4.58%	20.24%	30.23%	28.34%	4.21%
S&P SmallCap 600 Value	4.87%	17.26%	26.97%	22.86%	3.15%
MSCI EAFE	3.46%	8.34%	11.12%	31.78%	3.83%
MSCI World (ex US)	3.72%	11.20%	15.34%	41.45%	6.24%
MSCI World	3.51%	10.14%	14.36%	29.99%	3.02%
MSCI Emerging Markets	4.56%	19.16%	26.98%	78.51%	15.21%

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 11/05/10.

S&P Sector Performance

Index	Week	YTD	12-mo.	2009	5-yr
Consumer Discretionary	3.62%	23.79%	33.53%	41.33%	3.87%
Consumer Staples	1.39%	12.32%	14.88%	14.89%	7.60%
Energy	5.10%	10.11%	9.28%	13.86%	6.46%
Financials	7.02%	9.11%	9.63%	17.24%	-10.36%
Health Care	1.04%	2.45%	10.46%	19.70%	2.54%
Industrials	3.79%	20.73%	27.21%	20.93%	3.18%
Information Technology	3.40%	10.05%	18.66%	61.72%	5.19%
Materials	4.34%	14.24%	23.72%	48.57%	8.09%
Telecom Services	2.55%	14.82%	27.08%	8.93%	6.03%
Utilities	1.11%	6.67%	15.74%	11.91%	4.67%

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 11/05/10.

Bond Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
U.S. Treasury: Intermediate	0.35%	7.92%	7.24%	-1.41%	6.22%
GNMA 30 Year	0.36%	7.90%	7.67%	5.37%	6.93%
U.S. Aggregate	0.28%	8.63%	8.67%	5.93%	6.61%
U.S. Corporate High Yield	0.88%	15.42%	20.32%	58.21%	9.21%
U.S. Corporate Investment Grade	0.47%	11.43%	12.92%	18.68%	6.95%
Municipal Bond: Long Bond (22+)	-0.37%	8.51%	9.82%	23.43%	4.62%
Global Aggregate	0.47%	8.81%	7.38%	6.93%	7.64%

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 11/05/10.

Key Rates

As of 11/05

Fed Funds	0.00-0.25%	5-yr CD	2.22%
LIBOR (1-month)	0.25%	2-yr T-Note	0.36%
CPI - Headline	1.10%	5-yr T-Note	1.09%
CPI - Core	0.80%	10-yr T-Note	2.53%
Money Market Accts.	0.66%	30-yr T-Bond	4.09%
Money Market Funds	0.03%	30-yr Mortgage	4.30%
6-mo CD	0.78%	Prime Rate	3.25%
1-yr CD	1.07%	Bond Buyer 40	4.97%

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

Market Indicators

As of 11/05

TED Spread	16 bps
Investment Grade Spread (A2)	189 bps
ML High Yield Master II Index Spread	581 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 10/27/10

Estimated Flows to Long-Term Mutual Funds

	Current Week	Previous
Domestic Equity	-\$2.911 Billion	-\$202 Million
Foreign Equity	\$569 Million	\$2.223 Billion
Taxable Bond	\$4.762 Billion	\$5.853 Billion
Municipal Bond	\$545 Million	\$631 Million

Change in Money Market Fund Assets

	Current Week	Previous
Retail	-\$1.05 Billion	-\$3.01 Billion
Institutional	-\$5.54 Billion	\$27.63 Billion

Source: Investment Company Institute

Factoids for the week of November 1st – 5th

Monday, November 1, 2010

UBS research shows that the global market capitalization for convertible securities is approximately \$571 billion, substantially smaller than their more mainstream corporate counterpart, according to FT.com. The demand for convertibles, which in the past came mostly from wealth managers and rich investors, is broadening. Investors are now viewing convertible bonds as a strategic allocation, according to Olivia Mayell, a convertibles client portfolio manager at JPMorgan Asset Management. From 6/30/10-10/29/10, the Merrill Lynch All U.S. Convertibles Index posted a total return of 12.60%, below the S&P 500's gain of 15.53%, but well above the 6.56% return from the Merrill Lynch U.S. Corporates, A-Rated Bond Index.

Tuesday, November 2, 2010

In October, the dividend-payers (368) in the S&P 500 (equal weight) posted a total return of 3.41%, vs. 3.83% for the non-payers (132), according to Standard & Poor's. Year-to-date, the payers were up 9.73%, vs. a gain of 7.83% for the non-payers. For the 12-month period ended October, payers were up 20.57%, vs. a gain of 21.28% for the non-payers. The number of dividend increases year-to-date totaled 191, up from 119 increases a year ago. Three companies decreased their dividends, down from 65 a year ago. One company suspended its dividend, down from 10 a year ago.

Wednesday, November 3, 2010

Both the 50-day and 200-day moving averages for oil prices are rising. The 50-day recently crossed over the 200-day to form what technicians call a "golden cross," according to Bespoke Investment Group. Since 1984, there have only been six golden crosses (not including this one) for oil – the last occurred in April 1999. In those six instances the price of oil declined by an average of 4.86% the week after forming the golden cross, but was 7.16% higher, on average, three months later.

Thursday, November 4, 2010

The U.S. commercial real estate market is performing much better than expected in 2010. Vacancies for apartment buildings, office complexes, retail malls and self-storage facilities are stabilizing and rents are no longer falling, according to Bloomberg BusinessWeek. The FTSE NAREIT All-REIT index was up 23.9% in the first 10 months of this year, while the S&P 500 was up just 7.84%. Publicly traded REITs represent about 15% of the U.S. commercial real estate market. Year-to-date, net inflows to U.S. real estate funds and ETFs totaled \$2.35 billion, compared to net outflows totaling \$54.4 billion for U.S. equity funds and ETFs, according to TrimTabs.

Friday, November 5, 2010

The average 2010 return (as of midday 11/3) of the 81 major stock market indices tracked by Bespoke Investment Group was 12.19%. The best performers by far heading into the last two months of trading were frontier markets. The top five were as follows: Sri Lanka (+97.16%); Bangladesh (+74.88%); Estonia (+62.46%); Lithuania (+49.56%); and the Philippines (+43.54%). With respect to the BRIC countries, the top performer was India (+17.18%), followed by Russia (+11.08%), Brazil (+4.84%) and China (-7.51%).