

Stock Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
Dow Jones Industrial Avg. (11,573)	0.65%	14.00%	13.59%	22.68%	3.97%
S&P 500 (1,257)	1.16%	14.96%	14.69%	26.47%	1.96%
NASDAQ 100 (2,230)	0.55%	20.82%	22.13%	54.63%	6.43%
S&P 500 Growth	0.76%	15.20%	15.32%	31.58%	3.28%
S&P 500 Value	1.58%	14.81%	14.15%	21.17%	0.56%
S&P MidCap 400 Growth	0.67%	31.34%	30.85%	41.23%	6.61%
S&P MidCap 400 Value	1.63%	23.01%	22.13%	33.77%	4.62%
S&P SmallCap 600 Growth	1.09%	29.72%	30.03%	28.34%	5.11%
S&P SmallCap 600 Value	2.36%	26.08%	26.30%	22.86%	4.16%
MSCI EAFE	1.00%	6.90%	8.80%	31.78%	2.22%
MSCI World (ex US)	1.12%	9.79%	12.25%	41.45%	4.53%
MSCI World	1.09%	11.16%	12.09%	29.99%	2.13%
MSCI Emerging Markets	1.48%	16.43%	20.78%	78.51%	12.53%

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 12/23/10.

S&P Sector Performance

Index	Week	YTD	12-mo.	2009	5-yr
Consumer Discretionary	0.94%	28.60%	27.63%	41.33%	4.24%
Consumer Staples	0.27%	14.44%	14.01%	14.89%	7.43%
Energy	2.14%	19.32%	18.97%	13.86%	7.68%
Financials	2.65%	11.55%	11.01%	17.24%	-10.91%
Health Care	0.13%	3.49%	2.36%	19.70%	1.62%
Industrials	0.58%	26.50%	25.25%	20.93%	2.89%
Information Technology	0.62%	10.36%	11.51%	61.72%	4.60%
Materials	2.59%	21.39%	22.85%	48.57%	7.30%
Telecom Services	0.80%	18.07%	18.06%	8.93%	6.18%
Utilities	1.33%	5.64%	5.13%	11.91%	3.69%

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 12/23/10.

Bond Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
U.S. Treasury: Intermediate	-0.30%	4.87%	4.38%	-1.41%	5.34%
GNMA 30 Year	-0.05%	6.18%	5.88%	5.37%	6.21%
U.S. Aggregate	-0.20%	5.93%	5.64%	5.93%	5.68%
U.S. Corporate High Yield	0.35%	14.56%	15.05%	58.21%	8.84%
U.S. Corporate Investment Grade	-0.29%	7.98%	7.86%	18.68%	5.85%
Municipal Bond: Long Bond (22+)	0.16%	1.23%	1.09%	23.43%	2.80%
Global Aggregate	0.10%	3.60%	3.25%	6.93%	6.22%

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 12/23/10.

Key Rates

As of 12/23			
Fed Funds	0.00-0.25%	5-yr CD	2.27%
LIBOR (1-month)	0.26%	2-yr T-Note	0.65%
CPI - Headline	1.10%	5-yr T-Note	2.04%
CPI - Core	0.80%	10-yr T-Note	3.38%
Money Market Accts.	0.65%	30-yr T-Bond	4.47%
Money Market Funds	0.03%	30-yr Mortgage	4.97%
6-mo CD	0.70%	Prime Rate	3.25%
1-yr CD	1.03%	Bond Buyer 40	5.50%

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

Market Indicators

As of 12/23	
TED Spread	16 bps
Investment Grade Spread (A2)	174 bps
ML High Yield Master II Index Spread	538 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 12/15/10

Estimated Flows to Long-Term Mutual Funds				
	Current Week		Previous	
Domestic Equity	-\$2.401	Billion	-\$2.673	Billion
Foreign Equity	\$2.241	Billion	\$1.273	Billion
Taxable Bond	-\$3.766	Billion	-\$401	Million
Municipal Bond	-\$4.854	Billion	-\$1.259	Billion

Change in Money Market Fund Assets				
	Current Week		Previous	
Retail	\$5.63	Billion	\$0.53	Billion
Institutional	-\$14.92	Billion	-\$33.76	Billion

Source: Investment Company Institute

Factoids for the week of December 20th – 24th

Monday, December 20, 2010

The Federal Reserve reported that amount of cash holdings at non-financial companies in the U.S. stood at \$1.93 trillion at the close of Q3'10, up from \$1.80 trillion at the close of Q2'10, according to MoneyMorning.com. Cash constituted 7.4% of the companies' total assets – the highest percentage since 1959.

Tuesday, December 21, 2010

S&P 500 stock buybacks totaled \$79.56 billion in Q3'10, up 128.3% from the \$34.85 billion executed in Q3'09, according to Standard & Poor's. Buybacks totaled \$55.26 billion in Q1'10 and \$77.64 billion in Q2'10. Information Technology accounted for 28.6% of all buybacks in Q3, followed by Health Care at 13.4% (down from 19.0% in Q2). Energy increased from 4.0% in Q2 to 6.4% in Q3. S&P 500 buybacks totaled \$212.46 billion in the first three quarters of 2010, compared to \$150.98 billion in dividend distributions.

Wednesday, December 22, 2010

The Q4'10 edition of the *Investment Manager Outlook* (released 12/14), a survey of investment managers conducted by Russell Investment Group, found that 38% of those money managers polled believe U.S. equities are undervalued, down from 57% last quarter. Managers noted that improving growth opportunities and stronger corporate fundamentals should push stocks higher in 2011. They are most bullish on the following asset classes (Q4/Q3): U.S. Large-Cap Growth (73%/66%); Emerging Market Equities (71%/71%); U.S. Mid-Cap Growth (60%/57%); and Non-U.S. (Developed Market) Equities (58%/52%). The asset class managers are most bearish on is U.S. Treasuries (83%/75%). The sectors managers are most bullish on are Technology (80%/69%), Energy (68%/51%) and Materials and Processing (58%/48%). They are most bearish on Utilities (52%/30%).

Thursday, December 23, 2010

The two-year extension of the Bush tax cuts is welcome news to investors who own dividend-paying stocks. The extension of the 15% maximum tax rate on qualified stock dividends will put an estimated \$74.5 billion into the pockets of individual investors over the next two years, according to Howard Silverblatt, Senior Index Analyst at S&P Indices. That would bring the 10-year tax savings (Bush tax cuts commenced in 2003) on dividends paid to individuals in taxable accounts to \$348.4 billion.

Friday, December 24, 2010

No Factoid
Markets Closed – Christmas Eve