

Stock Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
Dow Jones Industrial Avg. (10,425)	3.27%	1.47%	18.13%	22.68%	2.24%
S&P 500 (1,103)	3.57%	-0.04%	15.26%	26.47%	-0.14%
NASDAQ 100 (1,875)	3.99%	1.20%	17.90%	54.63%	3.79%
S&P 500 Growth	3.74%	-1.07%	13.54%	31.58%	0.82%
S&P 500 Value	3.41%	1.01%	17.17%	21.17%	-1.19%
S&P MidCap 400 Growth	4.80%	7.01%	25.57%	41.23%	3.63%
S&P MidCap 400 Value	5.26%	4.79%	25.52%	33.77%	1.94%
S&P SmallCap 600 Growth	5.93%	6.45%	22.62%	28.34%	1.74%
S&P SmallCap 600 Value	6.34%	4.83%	21.31%	22.86%	0.36%
MSCI EAFE	1.49%	-6.42%	7.70%	31.78%	2.02%
MSCI World (ex US)	2.01%	-4.35%	11.18%	41.45%	4.35%
MSCI World	2.54%	-3.19%	11.24%	29.99%	0.90%
MSCI Emerging Markets	3.47%	0.56%	21.86%	78.51%	13.02%

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 07/23/10.

S&P Sector Performance

Index	Week	YTD	12-mo.	2009	5-yr
Consumer Discretionary	5.04%	6.55%	28.04%	41.33%	-0.39%
Consumer Staples	2.54%	3.72%	15.20%	14.89%	5.91%
Energy	4.02%	-5.39%	4.82%	13.86%	3.95%
Financials	3.18%	1.72%	18.06%	17.24%	-11.20%
Health Care	-0.67%	-7.86%	5.64%	19.70%	-0.06%
Industrials	7.16%	8.62%	31.09%	20.93%	0.78%
Information Technology	3.72%	-2.58%	14.83%	61.72%	2.65%
Materials	7.09%	-2.00%	15.13%	48.57%	4.33%
Telecom Services	3.86%	-1.40%	8.28%	8.93%	2.34%
Utilities	2.63%	0.27%	9.47%	11.91%	2.89%

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 07/23/10.

Bond Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
U.S. Treasury: Intermediate	-0.09%	5.00%	6.17%	-1.41%	5.52%
GNMA 30 Year	0.16%	6.11%	8.67%	5.37%	6.47%
U.S. Aggregate	0.01%	5.88%	9.55%	5.93%	5.81%
U.S. Corporate High Yield	0.80%	7.50%	26.65%	58.21%	7.50%
U.S. Corporate Investment Grade	0.03%	6.90%	15.55%	18.68%	5.69%
Municipal Bond: Long Bond (22+)	0.25%	5.36%	14.82%	23.43%	3.82%
Global Aggregate	-0.41%	1.86%	5.81%	6.93%	5.61%

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 07/23/10.

Key Rates

	As of 07/23		
Fed Funds	0.00-0.25%	5-yr CD	2.73%
LIBOR (1-month)	0.33%	2-yr T-Note	0.57%
CPI - Headline	1.10%	5-yr T-Note	1.72%
CPI - Core	0.90%	10-yr T-Note	2.99%
Money Market Accts.	0.74%	30-yr T-Bond	4.01%
Money Market Funds	0.04%	30-yr Mortgage	4.61%
6-mo CD	0.89%	Prime Rate	3.25%
1-yr CD	1.35%	Bond Buyer 40	5.11%

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

Market Indicators

	As of 07/23	
TED Spread		33 bps
Investment Grade Spread (A2)		199 bps
ML High Yield Master II Index Spread		661 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 07/14/10

Estimated Flows to Long-Term Mutual Funds				
	Current Week		Previous	
Domestic Equity	-\$3.157	Billion	-\$4.115	Billion
Foreign Equity	-\$113	Million	-\$112	Million
Taxable Bond	\$5.381	Billion	\$5.041	Billion
Municipal Bond	\$415	Million	\$979	Million

Change in Money Market Fund Assets				
	Current Week		Previous	
Retail	-\$3.76	Billion	-\$1.38	Billion
Institutional	-\$14.08	Billion	-\$11.74	Billion

Source: Investment Company Institute

Factoids for the week of July 19th – 23rd

Monday, July 19, 2010

The Stock Trader's Almanac provides data that shows there is some correlation between stock performance and presidential cycles, according to USA TODAY. During the last two years of the 44 administrations since 1833, stocks have gained 719%, well above the 243% gain during the first two years. The gain was 464% in the year prior to the election (year three) and 255% in the election year (year four).

Tuesday, July 20, 2010

The recent correction in the stock market may represent more than just a profit taking opportunity on the heels of an 84% (S&P 500) bounce off the bottom in March 2009. It could also mark the shift in leadership from lower-quality to higher-quality stocks. The lowest-quality names usually outperform at the beginning of a market upturn, but then yield to the top names with better earnings. In 2009, a lot of portfolio managers underperformed the broader market because they would not invest in lower-quality stocks, according to Sean Kraus, chief investment officer at CitizensTrust. One sector that fits this scenario is Health Care. It is the only sector of the S&P 500 not to see quarterly earnings drop year-over-year in the past two years, according to Bloomberg.

Wednesday, July 21, 2010

The Special Inspector General for the Troubled Asset Relief Program (TARP) just released a report saying that the overall Federal support for the nation's financial system increased from \$3.0 trillion to \$3.7 trillion in the past year, according to Reuters. Guarantees for loans backed by the Federal Housing Administration, the Government National Mortgage Association and the Veterans administration accounted for \$512.4 billion of the \$700 billion increase. The increase dwarfs the \$300 billion recouped from closing programs plus the money paid back by those banks that participated in TARP.

Thursday, July 22, 2010

The number of restaurants in the U.S. declined by 5,204 units from Q1'09 to Q1'10, or 1%, according to The NPD Group. The change in the number of chain units was flat, while the number of independent units fell by 2%. Customer visits to restaurants declined by 3% for the 12-month period ended May 2010. Spending at restaurants declined by 1% over the same period, the first decline in dollars spent since NPD began tracking the foodservice industry in 1976.

Friday, July 23, 2010

While U.S. stocks are enjoying a welcome bounce off their recent lows they still lag most of the major foreign markets. The S&P 500 currently ranks 17th out of 21 major equity indices in terms of where it is trading relative to its 50-day moving average (+0.78%), according to Bespoke Investment Group. The top markets are the following: Spain's IBEX 35 (+7.81%); Sweden's OMX 30 (+5.73%); Brazil's Bovespa (+5.27%); Russia's Trading System (+5.05%); and India's Sensex (+4.85%). The worst showing belongs to Japan's Nikkei 225, which is 5.12% below its 50-day.