

Stock Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
Dow Jones Industrial Avg. (10,303)	-3.21%	0.47%	12.66%	22.68%	2.10%
S&P 500 (1,079)	-3.71%	-2.02%	8.74%	26.47%	-0.51%
NASDAQ 100 (1,819)	-4.41%	-1.80%	12.44%	54.63%	3.28%
S&P 500 Growth	-3.83%	-3.37%	9.19%	31.58%	0.41%
S&P 500 Value	-3.59%	-0.64%	8.16%	21.17%	-1.52%
S&P MidCap 400 Growth	-4.73%	3.07%	15.06%	41.23%	2.86%
S&P MidCap 400 Value	-4.87%	0.91%	12.68%	33.77%	1.36%
S&P SmallCap 600 Growth	-5.81%	-0.75%	10.01%	28.34%	0.46%
S&P SmallCap 600 Value	-6.21%	-1.61%	6.75%	22.86%	-0.42%
MSCI EAFE	-4.73%	-6.51%	1.63%	31.78%	0.95%
MSCI World (ex US)	-4.23%	-4.52%	5.52%	41.45%	3.26%
MSCI World	-4.18%	-4.28%	5.10%	29.99%	0.21%
MSCI Emerging Markets	-2.93%	0.67%	17.06%	78.51%	12.06%

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 08/13/10.

S&P Sector Performance

Index	Week	YTD	12-mo.	2009	5-yr
Consumer Discretionary	-4.04%	3.92%	19.09%	41.33%	-0.80%
Consumer Staples	-1.14%	2.56%	13.56%	14.89%	5.90%
Energy	-3.74%	-5.76%	4.01%	13.86%	2.81%
Financials	-4.88%	-1.75%	-0.58%	17.24%	-11.53%
Health Care	-2.14%	-5.83%	6.14%	19.70%	0.18%
Industrials	-4.87%	6.05%	19.18%	20.93%	0.52%
Information Technology	-5.60%	-8.04%	7.19%	61.72%	1.67%
Materials	-3.66%	-4.07%	4.93%	48.57%	3.82%
Telecom Services	0.57%	2.53%	14.05%	8.93%	2.96%
Utilities	-0.99%	0.93%	10.27%	11.91%	3.16%

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 08/13/10.

Bond Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
U.S. Treasury: Intermediate	0.34%	6.29%	7.08%	-1.41%	5.78%
GNMA 30 Year	0.07%	6.73%	8.63%	5.37%	6.57%
U.S. Aggregate	0.29%	7.07%	9.40%	5.93%	6.02%
U.S. Corporate High Yield	-0.73%	7.99%	21.47%	58.21%	7.58%
U.S. Corporate Investment Grade	0.46%	8.91%	13.94%	18.68%	6.05%
Municipal Bond: Long Bond (22+)	0.78%	6.92%	15.09%	23.43%	4.08%
Global Aggregate	-1.25%	3.31%	6.11%	6.93%	5.66%

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 08/13/10.

Key Rates

As of 08/13

Fed Funds	0.00-0.25%	5-yr CD	2.64%
LIBOR (1-month)	0.29%	2-yr T-Note	0.53%
CPI - Headline	1.20%	5-yr T-Note	1.46%
CPI - Core	0.90%	10-yr T-Note	2.68%
Money Market Accts.	0.73%	30-yr T-Bond	3.86%
Money Market Funds	0.04%	30-yr Mortgage	4.52%
6-mo CD	0.86%	Prime Rate	3.25%
1-yr CD	1.33%	Bond Buyer 40	5.01%

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

Market Indicators

As of 08/13

TED Spread	20 bps
Investment Grade Spread (A2)	197 bps
ML High Yield Master II Index Spread	688 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 08/04/10

Estimated Flows to Long-Term Mutual Funds

	Current Week	Previous
Domestic Equity	-\$2.788 Billion	-\$4.099 Billion
Foreign Equity	-\$82 Million	\$255 Million
Taxable Bond	\$6.593 Billion	\$6.128 Billion
Municipal Bond	\$1.203 Billion	\$987 Million

Change in Money Market Fund Assets

	Current Week	Previous
Retail	-\$5.88 Billion	-\$0.83 Billion
Institutional	\$9.41 Billion	\$20.04 Billion

Source: Investment Company Institute

Factoids for the week of August 9th – 13th

Monday, August 9, 2010

S&P 500 companies reported that 46.6% of their sales came from outside the U.S. in 2009, down from 47.9% in 2008, according to Standard & Poor's. Foreign sales had increased for three consecutive years prior to 2009. The total sales for the S&P 500 (aggregate basis) declined by 12% in 2009 from \$9.08 trillion to \$7.99 trillion, finishing just above the \$7.94 trillion posted in 2005. The sectors that reported foreign sales in excess of 50% were Technology (56.02% vs. 55.27% in '08) and Materials (52.06% vs. 49.66% in '08).

Tuesday, August 10, 2010

A survey conducted by Sallie Mae and Gallup showed that rising college costs pushed parents' average contribution from their income and savings to \$8,752 in the 2009-10 school year, up 26.2% from the \$6,934 spent the previous year, according to MarketWatch.com. The average amount parents took out in loans to pay college expenses totaled \$2,261, up 27.4% from the \$1,775 borrowed the previous year. Student borrowing averaged \$3,396, up 24.8% from \$2,721 the previous year. Just 26% of those families surveyed "strongly" agreed they had a plan to pay for the desired college degree before enrolling. While parents account for nearly half of the cost burden, grants and scholarships were the second biggest source of funding at 23%.

Wednesday, August 11, 2010

The Federal Statistics Service in Moscow reported that the GDP growth rate in Russia rose 5.2% (y-o-y) in Q2'10, slightly below the 5.4% forecast from the Economy Ministry, but higher than the 2.9% growth rate in Q1'10, according to Bloomberg BusinessWeek. Russia's economy contracted a record 7.9% in 2009. The recovery is being driven by a pickup in retail spending and energy sales, including oil and gas. Energy sales account for 72% of total exports. In response to the drought and wildfires (2,890 square miles burned) Russia has banned grain exports through the end of 2010 and cut its crop forecast from 97.1 million metric tons to as little as 60 million, according to the Emergency Situations Ministry.

Thursday, August 12, 2010

Yesterday's 2.8% drop in the S&P 500 marked the 25th day the index closed down by more than 2% since the market bottomed back in March 2009, according to Bespoke Investment Group. The average return for the index in the week following the previous 24 declines was 1.81%. The index was up 75% of the time. In the five occurrences since the May 6th "flash crash" the index posted a gain the following week each time.

Friday, August 13, 2010

With GDP growth coming in at 2.4% in Q2'10, Martin Fridson believes investors should consider owning some high yield corporate bonds, according to Forbes. His research found that, since 1980, there have been 8 years in which GDP growth was positive but grew by 2.5% or less. High yield corporates, as measured by the Merrill Lynch 100 High Yield Index, outperformed the S&P 500 in 6 out of the 8 years. High yields posted an average return of 3.88% in those 8 years, vs. -0.92% for stocks.