

Stock Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
Dow Jones Industrial Avg. (10,466)	0.40%	1.87%	17.28%	22.68%	2.33%
S&P 500 (1,102)	-0.07%	-0.11%	13.84%	26.47%	-0.17%
NASDAQ 100 (1,864)	-0.60%	0.59%	17.05%	54.63%	3.61%
S&P 500 Growth	-0.55%	-1.61%	12.73%	31.58%	0.71%
S&P 500 Value	0.40%	1.41%	14.96%	21.17%	-1.15%
S&P MidCap 400 Growth	-0.77%	6.18%	23.13%	41.23%	3.30%
S&P MidCap 400 Value	-0.03%	4.76%	22.74%	33.77%	1.82%
S&P SmallCap 600 Growth	-0.59%	5.83%	20.08%	28.34%	1.47%
S&P SmallCap 600 Value	0.24%	5.08%	18.36%	22.86%	0.39%
MSCI EAFE	1.51%	-5.00%	6.26%	31.78%	2.10%
MSCI World (ex US)	1.38%	-3.03%	9.67%	41.45%	4.42%
MSCI World	0.69%	-2.53%	9.83%	29.99%	0.93%
MSCI Emerging Markets	1.08%	1.65%	19.92%	78.51%	13.00%

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 07/30/10.

S&P Sector Performance

Index	Week	YTD	12-mo.	2009	5-yr
Consumer Discretionary	-0.39%	6.13%	26.20%	41.33%	-0.50%
Consumer Staples	-0.61%	3.09%	13.34%	14.89%	5.67%
Energy	0.30%	-5.11%	5.72%	13.86%	4.00%
Financials	1.03%	2.76%	14.56%	17.24%	-10.88%
Health Care	0.32%	-7.56%	4.30%	19.70%	-0.18%
Industrials	0.73%	9.40%	28.67%	20.93%	0.98%
Information Technology	-1.60%	-4.14%	13.72%	61.72%	2.37%
Materials	-0.13%	-2.13%	12.66%	48.57%	4.42%
Telecom Services	1.65%	0.22%	8.23%	8.93%	2.05%
Utilities	-0.40%	-0.12%	9.47%	11.91%	2.60%

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 07/30/10.

Bond Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
U.S. Treasury: Intermediate	0.53%	5.56%	6.25%	-1.41%	5.68%
GNMA 30 Year	0.38%	6.51%	8.38%	5.37%	6.58%
U.S. Aggregate	0.54%	6.46%	8.91%	5.93%	5.96%
U.S. Corporate High Yield	0.68%	8.23%	23.74%	58.21%	7.55%
U.S. Corporate Investment Grade	0.91%	7.87%	13.30%	18.68%	5.89%
Municipal Bond: Long Bond (22+)	0.27%	5.65%	14.71%	23.43%	3.87%
Global Aggregate	1.19%	3.08%	6.22%	6.93%	5.91%

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 07/30/10.

Key Rates

	As of 07/30		
Fed Funds	0.00-0.25%	5-yr CD	2.72%
LIBOR (1-month)	0.32%	2-yr T-Note	0.54%
CPI - Headline	1.10%	5-yr T-Note	1.59%
CPI - Core	0.90%	10-yr T-Note	2.90%
Money Market Accts.	0.75%	30-yr T-Bond	3.98%
Money Market Funds	0.04%	30-yr Mortgage	4.56%
6-mo CD	0.87%	Prime Rate	3.25%
1-yr CD	1.33%	Bond Buyer 40	5.10%

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

Market Indicators

As of 07/30	
TED Spread	29 bps
Investment Grade Spread (A2)	194 bps
ML High Yield Master II Index Spread	661 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 07/21/10

Estimated Flows to Long-Term Mutual Funds				
	Current Week		Previous	
Domestic Equity	-\$1.525	Billion	-\$3.157	Billion
Foreign Equity	\$204	Million	-\$113	Million
Taxable Bond	\$6.865	Billion	\$5.381	Billion
Municipal Bond	\$992	Million	\$415	Million

Change in Money Market Fund Assets				
	Current Week		Previous	
Retail	-\$2.37	Billion	-\$3.76	Billion
Institutional	\$5.94	Billion	-\$14.08	Billion

Source: Investment Company Institute

Factoids for the week of July 26th – 30th

Monday, July 26, 2010

The number of bank failures in the U.S. climbed to 103 this year following the announcement of seven bank seizures last Friday, according to USA TODAY. There were only 64 closures at this point last year. The number of bank failures in 2007, 2008, and 2009 totaled three, 25, and 140, respectively. The number of banks on the Federal Deposit Insurance Corporation's (FDIC) "problem" list spiked from 702 in Q4'09 to 775 in Q1'10. The FDIC expects the cost of resolving failed banks to total about \$60 billion from 2010 through 2014.

Tuesday, July 27, 2010

State tax revenue rose 2.5% in Q1'10, according to the Rockefeller Institute of Government. While the bump is encouraging inflows remain well below pre-recession levels. There were 80 state and local sales tax increases imposed across the country in Q2'10, compared to just 11 decreases, according to Kiplinger. Fifty-five of the 80 tax hikes were imposed by cities. The only state to raise its sales tax was Arizona, which bumped it from 5.6% to 6.6%. On top of escalating sales taxes, states, counties, municipalities and districts initiated 40 new taxes in Q2'10, according to Thomson Reuters. Today, 33 states are forecasting a collective shortfall of \$72 billion for fiscal year 2012.

Wednesday, July 28, 2010

Worldwide PC shipments were up 22.4% (y-o-y) in Q2'10, according to International Data Corporation (IDC) Worldwide Quarterly PC Tracker. Shipments totaled 81.5 million units, up from 66.6 million in Q2'09. Desktop PC shipments exceeded expectations for the second quarter in a row. The strong showing confirms that businesses are upgrading an aging installed base. Demand softened a bit in the consumer sector. Hewlett-Packard held the top spot with an 18.1% share of the market. Dell (13.0%) and Acer Group (12.6%) rounded out the top three.

Thursday, July 29, 2010

As of the close of trading on July 27, 662 U.S. companies had reported Q2 earnings with a beat rate of 71.1%, according to Bespoke Investment Group. The average beat rate has been 62% since 1998. The beat rate for the companies in the S&P 500 was 78.8%. The sector with the highest beat rate so far is Consumer Discretionary at 80.6%. Investors may find that stat somewhat surprising considering the recent decline in consumer confidence and growing concerns about the possibility of a double-dip recession. The other nine sectors performed (beat rates) as follows: Industrials (79.8%); Consumer Staples (76.2%), Information Technology (75.8%); Health Care (70.3%); Materials (69.4%); Financials (60.3%); Telecom (60.0%); and Energy (60.0%).

Friday, July 30, 2010

Money market mutual fund assets totaled \$2.97 trillion as of July 21, down from \$3.66 trillion at the same point a year ago, according to the Investment Company Institute (ICI). Strategic Insight reported that investors redeemed \$502 billion from money market funds in the first half of 2010, up from \$176 billion in the first half of 2009, according to SmartMoney.com. The average taxable money market fund yields just 0.04%, according to iMoneyNet.com. Many vendors have been waiving fees in this low-rate climate. Money market funds waived close to \$2.5 billion in expenses in the first half of 2010, according to the ICI. The industry waived a total of \$3.6 billion in fees in 2009.