

Stock Index Performance

| Index | Week | YTD | 12-mo. | 2010 | 5-yr |
|------------------------------------|-------|--------|--------|--------|--------|
| Dow Jones Industrial Avg. (12,092) | 2.30% | 4.61% | 24.16% | 14.06% | 5.06% |
| S&P 500 (1,311) | 2.74% | 4.38% | 25.79% | 15.06% | 2.88% |
| NASDAQ 100 (2,338) | 3.00% | 5.46% | 35.97% | 20.15% | 7.68% |
| S&P 500 Growth | 2.75% | 3.52% | 26.49% | 15.09% | 4.12% |
| S&P 500 Value | 2.73% | 5.27% | 25.24% | 15.13% | 1.57% |
| S&P MidCap 400 Growth | 3.44% | 3.95% | 42.67% | 30.65% | 6.61% |
| S&P MidCap 400 Value | 2.56% | 4.54% | 33.03% | 22.80% | 4.68% |
| S&P SmallCap 600 Growth | 2.84% | 2.38% | 39.94% | 28.43% | 4.51% |
| S&P SmallCap 600 Value | 2.44% | 1.85% | 33.95% | 25.01% | 3.06% |
| MSCI EAFE | 1.72% | 4.02% | 18.94% | 7.75% | 2.32% |
| MSCI World (ex US) | 1.54% | 2.56% | 21.29% | 11.15% | 4.23% |
| MSCI World | 2.29% | 4.13% | 22.80% | 11.76% | 2.63% |
| MSCI Emerging Markets | 0.35% | -1.76% | 24.59% | 18.88% | 10.47% |

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 02/04/11.

S&P Sector Performance

| Index | Week | YTD | 12-mo. | 2010 | 5-yr |
|------------------------|-------|--------|--------|--------|--------|
| Consumer Discretionary | 2.94% | 2.16% | 34.76% | 27.85% | 4.49% |
| Consumer Staples | 0.99% | -0.33% | 15.90% | 14.12% | 7.76% |
| Energy | 4.20% | 9.05% | 38.12% | 20.46% | 8.16% |
| Financials | 2.29% | 4.18% | 21.94% | 12.18% | -9.78% |
| Health Care | 2.31% | 2.69% | 6.59% | 2.90% | 2.22% |
| Industrials | 2.50% | 5.93% | 35.94% | 26.74% | 4.52% |
| Information Technology | 3.57% | 7.24% | 29.50% | 10.22% | 6.28% |
| Materials | 4.60% | 2.89% | 38.95% | 22.34% | 7.60% |
| Telecom Services | 1.87% | -1.10% | 30.16% | 18.97% | 5.26% |
| Utilities | 0.48% | 1.54% | 14.70% | 5.46% | 4.07% |

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 02/04/11.

Bond Index Performance

| Index | Week | YTD | 12-mo. | 2010 | 5-yr |
|---------------------------------|--------|--------|--------|--------|-------|
| U.S. Treasury: Intermediate | -1.19% | -0.78% | 2.89% | 5.29% | 5.29% |
| GNMA 30 Year | -1.02% | -0.95% | 4.18% | 6.71% | 6.04% |
| U.S. Aggregate | -1.17% | -0.90% | 3.90% | 6.54% | 5.60% |
| U.S. Corporate High Yield | 0.52% | 2.73% | 16.82% | 15.12% | 9.12% |
| U.S. Corporate Investment Grade | -1.35% | -0.88% | 6.41% | 9.00% | 5.88% |
| Municipal Bond: Long Bond (22+) | -1.28% | -2.80% | -2.88% | 1.12% | 2.04% |
| Global Aggregate | -0.55% | -0.64% | 4.73% | 5.55% | 6.43% |

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 02/04/11.

Key Rates

| | As of 02/04 | | |
|---------------------|-------------|----------------|-------|
| Fed Funds | 0.00-0.25% | 5-yr CD | 2.29% |
| LIBOR (1-month) | 0.26% | 2-yr T-Note | 0.75% |
| CPI - Headline | 1.50% | 5-yr T-Note | 2.32% |
| CPI - Core | 0.80% | 10-yr T-Note | 3.63% |
| Money Market Accts. | 0.61% | 30-yr T-Bond | 4.73% |
| Money Market Funds | 0.03% | 30-yr Mortgage | 4.96% |
| 6-mo CD | 0.75% | Prime Rate | 3.25% |
| 1-yr CD | 1.13% | Bond Buyer 40 | 5.79% |

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

Market Indicators

| As of 02/04 | |
|--------------------------------------|---------|
| TED Spread | 15 bps |
| Investment Grade Spread (A2) | 166 bps |
| ML High Yield Master II Index Spread | 468 bps |

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 1/26/11

| Estimated Flows to Long-Term Mutual Funds | | | |
|---|------------------|----------|---------|
| | Current Week | Previous | |
| Domestic Equity | \$3.248 Billion | \$2.971 | Billion |
| Foreign Equity | \$1.875 Billion | \$1.651 | Billion |
| Taxable Bond | \$3.509 Billion | \$3.584 | Billion |
| Municipal Bond | -\$2.678 Billion | -\$5.748 | Billion |
| Change in Money Market Fund Assets | | | |
| | Current Week | Previous | |
| Retail | \$0.94 Billion | -\$5.07 | Billion |
| Institutional | -\$21.77 Billion | \$1.26 | Billion |

Source: Investment Company Institute

Factoids for the week of January 31st – February 4th

Monday, January 31, 2011

The top 20% of income earners account for nearly 40% of spending in the U.S., according to Michael Feroli, chief U.S. economist at JPMorgan Chase. Dean Maki, chief U.S. economist at Barclays Capital, puts the figure at closer to 50%, according to *Bloomberg Businessweek*. High-end retailers were much stronger in December than the broader group. The Bloomberg Retail Sales Luxury Index of U.S. sales revenue surged 8.1% (y-o-y), compared to 0.9% for the Bloomberg Retail Sales Discount Index. While the recession reportedly ended in June 2009, 88% of respondents in a recent Stifel Nicolaus survey said it hasn't ended yet, according to Bloomberg.

Tuesday, February 1, 2011

In January, the dividend-payers (374) in the S&P 500 (equal weight) posted a total return of 2.08%, vs. 2.10% for the non-payers (126), according to Standard & Poor's. For the 12-month period ended January, payers were up 24.30%, vs. a gain of 24.60% for the non-payers. The number of dividend increases in January totaled 29, up from 15 increases a year ago. There were no decreases, compared to one a year ago. One company initiated a dividend, down from three a year ago.

Wednesday, February 2, 2011

Famous groundhog Punxsutawney Phil did not see his shadow this morning, which means that Spring is on the way. Bespoke Investment Group researched this annual tradition dating back to 1944. It found that stocks perform better for the rest of the winter when Phil does not see his shadow. So there is a Groundhog Day (GH) Indicator. Over the past 67 years, Phil has seen his shadow 56 times, or 84% of the time. In those 56 occurrences, the S&P 500 posted an average return of 0.16% from GH through the first day of spring. The index was positive 51.8% of the time. In the 11 occurrences where Phil did not see his shadow, the S&P 500 posted an average return of 4.06% over that span. The index was positive 81.8% of the time.

Thursday, February 3, 2011

Worldwide semiconductor sales totaled a record \$298.3 billion in 2010, up 31.8% from the \$226.3 billion registered in 2009, according to the Semiconductor Industry Association (SIA). All major semiconductor product categories posted double-digit growth (y-o-y). Semiconductors have been America's top export over the past five years. The Asia-Pacific region represents 54% of the worldwide semiconductor market. The Americas account for 18%.

Friday, February 4, 2011

Those S&P 500 companies that derive more than 50% of their revenue from overseas operations are expected to see their total sales grow by an average of 10% in 2011, compared to a 6% increase for those that focus more on the U.S. market, according to CNNMoney.com. Emerging markets are fueling much of the growth as consumption habits are changing with improving standards of living. Sales are expected to be strongest in the European region. The S&P 100 Index currently has a forward-looking P/E of 12.79, compared to 13.50 for the S&P 500.