

Stock Index Performance

Index	Week	YTD	12-mo.	2010	5-yr
Dow Jones Industrial Avg. (11,859)	-1.54%	3.04%	12.97%	14.06%	3.74%
S&P 500 (1,279)	-1.91%	2.15%	11.92%	15.06%	1.69%
NASDAQ 100 (2,221)	-3.39%	0.29%	15.12%	20.15%	6.32%
S&P 500 Growth	-2.27%	0.62%	11.96%	15.09%	3.00%
S&P 500 Value	-1.55%	3.74%	12.02%	15.13%	0.31%
S&P MidCap 400 Growth	-1.16%	4.12%	24.11%	30.65%	6.58%
S&P MidCap 400 Value	-0.95%	4.26%	17.16%	22.80%	3.99%
S&P SmallCap 600 Growth	-0.94%	2.49%	22.17%	28.43%	4.10%
S&P SmallCap 600 Value	-0.97%	1.01%	13.87%	25.01%	2.16%
MSCI EAFE	-2.64%	-0.63%	6.78%	7.75%	0.60%
MSCI World (ex US)	-1.99%	-1.12%	8.88%	11.15%	2.77%
MSCI World	-2.10%	0.91%	9.72%	11.76%	1.28%
MSCI Emerging Markets	-0.85%	-4.32%	12.09%	18.88%	9.43%

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 03/18/11.

S&P Sector Performance

Index	Week	YTD	12-mo.	2010	5-yr
Consumer Discretionary	-3.19%	0.92%	17.95%	27.85%	3.69%
Consumer Staples	-1.91%	-0.61%	7.77%	14.12%	6.88%
Energy	0.37%	10.71%	31.53%	20.46%	8.87%
Financials	-1.60%	2.18%	4.12%	12.18%	-11.06%
Health Care	-1.57%	2.27%	1.35%	2.90%	1.59%
Industrials	-1.66%	4.03%	17.78%	26.74%	2.60%
Information Technology	-3.54%	-0.57%	7.96%	10.22%	4.10%
Materials	-0.10%	-1.44%	18.05%	22.34%	5.77%
Telecom Services	-0.56%	-1.72%	22.46%	18.97%	3.39%
Utilities	-4.25%	-0.50%	7.57%	5.46%	3.20%

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 03/18/11.

Bond Index Performance

Index	Week	YTD	12-mo.	2010	5-yr
U.S. Treasury: Intermediate	0.42%	0.72%	4.49%	5.29%	5.57%
GNMA 30 Year	0.31%	0.93%	5.41%	6.71%	6.44%
U.S. Aggregate	0.40%	0.98%	5.28%	6.54%	6.00%
U.S. Corporate High Yield	-0.09%	3.42%	14.37%	15.12%	9.08%
U.S. Corporate Investment Grade	0.47%	1.54%	7.83%	9.00%	6.42%
Municipal Bond: Long Bond (22+)	1.06%	0.68%	-0.36%	1.12%	2.56%
Global Aggregate	1.12%	1.98%	7.09%	5.55%	6.89%

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 03/18/11.

Key Rates

As of 03/18

Fed Funds	0.00-0.25%	5-yr CD	2.26%
LIBOR (1-month)	0.25%	2-yr T-Note	0.58%
CPI - Headline	2.10%	5-yr T-Note	1.93%
CPI - Core	1.10%	10-yr T-Note	3.26%
Money Market Accts.	0.59%	30-yr T-Bond	4.41%
Money Market Funds	0.03%	30-yr Mortgage	4.75%
6-mo CD	0.62%	Prime Rate	3.25%
1-yr CD	1.03%	Bond Buyer 40	5.61%

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

Market Indicators

As of 03/18

TED Spread	22 bps
Investment Grade Spread (A2)	169 bps
ML High Yield Master II Index Spread	503 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 3/09/11

Estimated Flows to Long-Term Mutual Funds

	Current Week	Previous
Domestic Equity	-\$1.123 Billion	\$1.499 Billion
Foreign Equity	\$929 Million	\$1.031 Billion
Taxable Bond	\$3.882 Billion	\$4.428 Billion
Municipal Bond	-\$681 Million	-\$557 Million

Change in Money Market Fund Assets

	Current Week	Previous
Retail	\$3.62 Billion	-\$4.44 Billion
Institutional	-\$14.17 Billion	\$3.05 Billion

Source: Investment Company Institute

Factoids for the week of March 14th – 18th

Monday, March 14, 2011

A study by Raymond James revealed that over a 15-year period, a 15% allocation of one's bond portfolio to convertibles would have increased annual returns by an average of 75 basis points and reduced volatility by 10%, according to Kiplinger. Over the past 10 years, foreign convertibles returned an average of 200 basis points per year more than U.S. converts. Convertibles are hybrid securities that typically generate returns somewhere between stocks and bonds.

Tuesday, March 15, 2011

The 2011 Retirement Confidence Survey (RCS) was just released and the news is less than encouraging, according to the Employee Benefit Research Institute. The percentage of workers "not at all" confident about having enough money for a comfortable retirement surged from 22% in 2010 to 27%, the highest level in the 21 years of the RCS. The percentage of those considered "very" confident was just 13%. Only 42% of workers report that they and/or their spouse have tried to calculate how much money they will need to save for their retirement years. A staggering 29% of those polled say they have less than \$1000 in savings, and another 56% of workers claim their household savings and investments (not counting home and any defined benefit plans) totaled less than \$25,000.

Wednesday, March 16, 2011

The massive earthquake, tsunami and nuclear fallout in Japan have obviously led to increased volatility in the markets. The VIX Index (S&P 500) has risen from 20.08 on 3/11 to a reading of 24.41 this morning. It averaged 17.53 in February. Bespoke Investment Group calculated both the Y-T-D returns (as of 3/15) on the S&P 500's 10 major sectors as well as their Y-T-D high. The following shows the spread between the two (Y-T-D High vs. Y-T-D as of 3/15): Energy (15.74% vs. 9.40%); Industrials (9.47% vs. 3.28%); Technology (8.67% vs. 0.88%); Financials (7.64% vs. 1.35%); Consumer Discretionary (6.85% vs. 1.89%); Materials (5.61% vs. -2.06%); Health Care (5.04% vs. 1.67%); Utilities (4.02% vs. -0.39%); Telecommunication Services (3.12% vs. -4.42%); and Consumer Staples (1.54% vs. -1.06%). The S&P 500's returns were 6.87% and 1.89%, respectively.

Thursday, March 17, 2011

A report by Spectrem Group revealed that the number of millionaires in the U.S. stood at approximately 8.4 million at the close of 2010, up 600,000 over 2009's tally, according to Bloomberg. The number is still well below the all-time high of 9.2 million in 2007. These are households with \$1 million or more in assets, not including their primary residences. The number of ultra-high-net-worth households (\$5 million or more in investable assets) increased 8% in 2010 to 1.1 million. Millionaires control about 56% of U.S. wealth, which stood at \$56.8 trillion at the end of 2010, according to the Federal Reserve. Millionaires turned bullish on their investments in February for the first time in more than three years claiming they were most likely to invest in stocks moving forward, according to Spectrem.

Friday, March 18, 2011

Worldwide semiconductor sales totaled \$25.5 billion in January, up 13.8% from \$22.4 billion a year ago, according to the Semiconductor Industry Association (SIA). Demand has been strong across all major markets (consumer, automotive, computer, industrial, communications and government applications) since the start of 2010. Damage to fabrication plants in Japan from the recent earthquake is likely to cause shortages and price swings moving forward, according to InformationWeek. Japan accounted for more than 20% of worldwide semiconductor production in 2010.