

Stock Index Performance

Index	Week	YTD	12-mo.	2010	5-yr
Dow Jones Industrial Avg. (12,221)	3.05%	6.18%	15.75%	14.06%	4.37%
S&P 500 (1,314)	2.72%	4.93%	14.96%	15.06%	2.31%
NASDAQ 100 (2,316)	4.29%	4.59%	19.74%	20.15%	7.29%
S&P 500 Growth	3.29%	3.93%	15.90%	15.09%	3.73%
S&P 500 Value	2.15%	5.97%	14.17%	15.13%	0.81%
S&P MidCap 400 Growth	3.24%	7.49%	28.81%	30.65%	7.14%
S&P MidCap 400 Value	2.67%	7.04%	21.16%	22.80%	4.55%
S&P SmallCap 600 Growth	3.83%	6.41%	27.11%	28.43%	4.60%
S&P SmallCap 600 Value	2.92%	3.96%	17.65%	25.01%	2.51%
MSCI EAFE	3.44%	2.80%	11.24%	7.75%	1.32%
MSCI World (ex US)	3.52%	2.36%	13.65%	11.15%	3.54%
MSCI World	3.03%	3.97%	13.50%	11.76%	1.93%
MSCI Emerging Markets	4.16%	-0.34%	18.10%	18.88%	10.55%

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 03/25/11.

S&P Sector Performance

Index	Week	YTD	12-mo.	2010	5-yr
Consumer Discretionary	3.21%	4.16%	20.28%	27.85%	4.48%
Consumer Staples	2.29%	1.66%	9.94%	14.12%	7.38%
Energy	4.08%	15.22%	41.19%	20.46%	9.69%
Financials	0.53%	2.72%	3.42%	12.18%	-10.86%
Health Care	1.91%	4.22%	3.70%	2.90%	2.01%
Industrials	2.96%	7.11%	21.03%	26.74%	3.26%
Information Technology	4.05%	3.46%	11.63%	10.22%	4.99%
Materials	3.95%	2.45%	23.63%	22.34%	6.75%
Telecom Services	2.20%	0.44%	25.09%	18.97%	3.67%
Utilities	1.71%	1.21%	11.80%	5.46%	3.93%

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 03/25/11.

Bond Index Performance

Index	Week	YTD	12-mo.	2010	5-yr
U.S. Treasury: Intermediate	-0.72%	-0.01%	4.46%	5.29%	5.42%
GNMA 30 Year	-0.50%	0.42%	5.27%	6.71%	6.28%
U.S. Aggregate	-0.60%	0.38%	5.39%	6.54%	5.86%
U.S. Corporate High Yield	0.26%	3.69%	14.42%	15.12%	9.04%
U.S. Corporate Investment Grade	-0.66%	0.87%	8.25%	9.00%	6.27%
Municipal Bond: Long Bond (22+)	-0.62%	0.06%	-0.69%	1.12%	2.41%
Global Aggregate	-0.28%	1.70%	8.32%	5.55%	6.96%

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 03/25/11.

Key Rates

As of 03/25			
Fed Funds	0.00-0.25%	5-yr CD	1.92%
LIBOR (1-month)	0.25%	2-yr T-Note	0.73%
CPI - Headline	2.10%	5-yr T-Note	2.15%
CPI - Core	1.10%	10-yr T-Note	3.43%
Money Market Accts.	0.63%	30-yr T-Bond	4.49%
Money Market Funds	0.03%	30-yr Mortgage	4.82%
6-mo CD	0.55%	Prime Rate	3.25%
1-yr CD	0.86%	Bond Buyer 40	5.66%

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

Market Indicators

As of 03/25	
TED Spread	21 bps
Investment Grade Spread (A2)	162 bps
ML High Yield Master II Index Spread	479 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 3/16/11

Estimated Flows to Long-Term Mutual Funds				
	Current Week		Previous	
Domestic Equity	-\$1.307	Billion	-\$1.123	Billion
Foreign Equity	\$1.889	Billion	\$929	Million
Taxable Bond	\$3.493	Billion	\$3.882	Billion
Municipal Bond	-\$618	Million	-\$681	Million

  

Change in Money Market Fund Assets				
	Current Week		Previous	
Retail	\$1.42	Billion	\$3.62	Billion
Institutional	-\$9.26	Billion	-\$14.17	Billion

Source: Investment Company Institute

Factoids for the week of March 21st – 25th

Monday, March 21, 2011

Sixteen companies in the Nikkei 225 Index (about 7%) posted gains since the massive earthquake and tsunami on March 11, according to the S&P Valuation and Risk Strategies research group. Nine of the 16 companies are industrials. The Nikkei 225 was down 8.98% (USD) this year through 3/18, vs. a gain of 2.15% for the S&P 500. It was down 12.38% (USD) from 3/4-3/18, so equities were already selling off before the natural disaster. In 1995, the destructive earthquake that hit Kobe on January 17 sent the Nikkei 225 down as much as 25% in the six months following the quake, but the index fully regained those losses by the end of 1995, according to Bespoke Investment Group.

Tuesday, March 22, 2011

Demand for rental housing continues to rise pushing down the U.S. vacancy rate to below 10%, according to CNNMoney.com. Peggy Alford, president of Rent.com, sees the vacancy rate for rentals falling to the 5% level by 2012. Alford estimates that rents will jump 7% or so in each of the next two years. If so, that would put the national average above \$800 per month. Rent hikes had been averaging less than 1% per year (adjusted for inflation) over the past decade, according to statistics from the Commerce Department. Lesley Deutch of John Burns Real Estate Consulting sees rent increases topping 10% in the hottest markets in each of the next two years. Deutch expects rents in San Diego to be up 31% or more by 2015.

Wednesday, March 23, 2011

S&P 500 stock buybacks totaled \$86.4 billion in Q4'10, up 80.8% from the \$47.8 billion executed in Q4'09, according to Standard & Poor's. The fourth quarter marked the sixth consecutive quarter companies increased their buyback activity. Buybacks totaled \$299 billion in 2010, up 116.7% from the \$138 billion spent in 2009. Companies paid out \$206 billion in dividends in 2010. The number of companies repurchasing shares rose from 251 in Q1'10 to 270 in Q4'10. Information Technology companies accounted for 22.3% of all buybacks, and was the only sector in 2010 to reduce outstanding share count.

Thursday, March 24, 2011

S&P 500 earnings (y-o-y) are expected to grow by 12.0% in Q1'11, 11.6% in Q2'11, 15.0% in Q3'11 and 15.5% in Q4'11, according to Bespoke Investment Group. The following five sectors are expected to post earnings growth above the 12% estimate for the index in Q1: Energy (26.7%); Materials (+25.6%); Industrials (+22.8%); Technology (+16.0%); and Financials (+14.9%).

Friday, March 25, 2011

TrimTabs data showed that U.S. investors poured \$1.2 billion into Japanese equity ETFs last week, according to Yahoo! Finance. It was the biggest weekly flow on record. Investors funneled \$700 million into these funds on March 16 alone, which was just five days after the earthquake. That was twice the previous largest daily inflow on record (2003). The Cabinet Office of Japan currently estimates that the total losses from the natural disaster will reach \$309 billion (USD).