

Stock Index Performance

Index	Week	YTD	12-mo.	2010	5-yr
Dow Jones Industrial Avg. (12,380)	0.11%	7.68%	16.34%	14.06%	4.94%
S&P 500 (1,328)	-0.26%	6.17%	14.20%	15.06%	2.65%
NASDAQ 100 (2,321)	-0.92%	4.82%	18.08%	20.15%	6.79%
S&P 500 Growth	-0.45%	5.01%	15.14%	15.09%	4.15%
S&P 500 Value	-0.07%	7.38%	13.39%	15.13%	1.08%
S&P MidCap 400 Growth	-0.95%	9.41%	27.79%	30.65%	7.36%
S&P MidCap 400 Value	-0.79%	9.04%	20.36%	22.80%	4.78%
S&P SmallCap 600 Growth	-0.79%	8.62%	27.17%	28.43%	5.00%
S&P SmallCap 600 Value	-0.84%	5.77%	16.19%	25.01%	2.76%
MSCI EAFE	1.92%	5.77%	12.69%	7.75%	1.45%
MSCI World (ex US)	1.84%	6.00%	14.96%	11.15%	3.70%
MSCI World	0.80%	6.16%	13.86%	11.76%	2.16%
MSCI Emerging Markets	1.82%	5.19%	19.00%	18.88%	10.60%

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 04/08/11.

S&P Sector Performance

Index	Week	YTD	12-mo.	2010	5-yr
Consumer Discretionary	-0.55%	4.89%	18.27%	27.85%	4.58%
Consumer Staples	0.53%	3.68%	12.29%	14.12%	8.33%
Energy	-0.08%	17.16%	36.30%	20.46%	9.52%
Financials	-0.28%	3.61%	1.20%	12.18%	-10.55%
Health Care	0.21%	6.46%	6.49%	2.90%	3.34%
Industrials	-1.41%	8.18%	19.92%	26.74%	3.37%
Information Technology	-0.42%	2.96%	10.18%	10.22%	4.59%
Materials	0.22%	5.12%	21.56%	22.34%	6.75%
Telecom Services	0.43%	5.14%	29.26%	18.97%	4.89%
Utilities	-0.32%	3.18%	11.40%	5.46%	4.95%

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 04/08/11.

Bond Index Performance

Index	Week	YTD	12-mo.	2010	5-yr
U.S. Treasury: Intermediate	-0.23%	-0.32%	3.98%	5.29%	5.49%
GNMA 30 Year	-0.33%	0.23%	5.11%	6.71%	6.44%
U.S. Aggregate	-0.29%	0.12%	4.97%	6.54%	6.03%
U.S. Corporate High Yield	0.54%	4.64%	14.53%	15.12%	9.27%
U.S. Corporate Investment Grade	-0.24%	0.68%	7.34%	9.00%	6.53%
Municipal Bond: Long Bond (22+)	-0.40%	-1.00%	-1.96%	1.12%	2.39%
Global Aggregate	0.39%	1.19%	7.45%	5.55%	7.00%

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 04/08/11.

Key Rates

As of 04/08

Fed Funds	0.00-0.25%	5-yr CD	1.98%
LIBOR (1-month)	0.24%	2-yr T-Note	0.80%
CPI - Headline	2.10%	5-yr T-Note	2.30%
CPI - Core	1.10%	10-yr T-Note	3.57%
Money Market Accts.	0.60%	30-yr T-Bond	4.64%
Money Market Funds	0.03%	30-yr Mortgage	4.91%
6-mo CD	0.56%	Prime Rate	3.25%
1-yr CD	0.88%	Bond Buyer 40	5.72%

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

Market Indicators

As of 04/08

TED Spread	25 bps
Investment Grade Spread (A2)	156 bps
ML High Yield Master II Index Spread	454 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 3/30/11

Estimated Flows to Long-Term Mutual Funds

	Current Week	Previous
Domestic Equity	\$345 Million	-\$2.508 Billion
Foreign Equity	\$903 Million	\$1.093 Billion
Taxable Bond	\$3.552 Billion	\$2.922 Billion
Municipal Bond	-\$465 Million	-\$569 Million

Change in Money Market Fund Assets

	Current Week	Previous
Retail	-\$3.16 Billion	-\$8.84 Billion
Institutional	\$11.42 Billion	\$12.78 Billion

Source: Investment Company Institute

Factoids for the week of April 4th - 8th

Monday, April 4, 2011

Data shows that while 2011 M&A activity in the U.S. is down slightly compared to last year (as of 3/23), total dollar volume is up 71.7%, according to Standard & Poor's. There have been 2,678 deals announced in the U.S. totaling \$285.2 billion, compared to 2,780 deals totaling \$166.1 billion at this point last year. The top three sectors in terms of number of deals announced were Financials (517), Technology (420) and Consumer Discretionary (416). The only three sectors showing a net gain in announced deals over last year were Energy (+33), Health Care (+18) and Materials (+18).

Tuesday, April 5, 2011

The combination of higher inventories, softer demand from China and the events in Japan (4th largest user of copper) helped keep a lid on the price of copper in Q1, but analysts do not expect it to last, according to Bloomberg. The consensus forecast from a Bloomberg survey of 24 analysts called for the price of copper to trade from around \$9,330 per metric ton today to \$11,000 by the end of 2011. Analysts expect the market to be sluggish for the next few months. China, which accounts for 39% of copper use worldwide, imported 158,185 tons of refined metal in February, the least since November 2008. China has been raising its benchmark lending rate in an attempt to curb inflation. Demand for copper should rise in the second half of the year when Japan begins to rebuild.

Wednesday, April 6, 2011

The Q1'11 edition of the *Investment Manager Outlook* (released 4/6), a survey of investment managers conducted by Russell Investment Group, found that 80% of managers are bearish on U.S. Treasuries. They are most bullish on the following asset classes (Q1'11/Q4'10): U.S. Large-Cap Growth (70%/73%); U.S. Mid-Cap Growth (58%/60%); U.S. Large-Cap Value (57%/54%); and Emerging Market Equities (51%/71%). The sectors managers are most bullish on are Technology (74%/80%), Energy (69%/68%); Health Care (58%/54%) and Materials and Processing (52%/58%). Managers now believe the market has "normalized" after a period of "significant undervaluation" due to extreme risk aversion among investors during the global financial crisis.

Thursday, April 7, 2011

Approximately 7,000 publicly owned companies report dividend information to Standard & Poor's Dividend Record. In Q1'11, the number of companies that increased their distributions totaled 510 – up 27.8% from the 399 increases registered in Q1'10. The number of companies that decreased their distributions totaled 30 – down 37.5% from the 48 decreases registered in Q1'10, and down 92% from Q1'09. Howard Silverblatt, Senior Index Analyst at S&P, reported that individual investors saved \$274 billion on qualified dividend tax cuts (15% max rate) from 2003 through 2010.

Friday, April 8, 2011

Moody's reported that the *global speculative-grade* default rate stood at 2.6% in March, down from 2.8% in February, according to WSJ.com. The rate was 10.0% a year ago. Moody's is now forecasting a default rate of 1.6% for March 2012. The *U.S. speculative-grade* default rate stood at 2.9% in March, down from 3.0% in February. The rate was 11.0% a year ago. The default rate on senior loans stood at 1.62% in March, down from 2.05% in February, according to Standard & Poor's LCD. Loan managers expect the default rate to close 2011 at 1.84%.