

Stock Index Performance

Index	Week	YTD	12-mo.	2010	5-yr
Dow Jones Industrial Avg. (12,596)	-0.23%	9.80%	19.90%	14.06%	4.82%
S&P 500 (1,338)	-0.11%	7.11%	17.90%	15.06%	2.86%
NASDAQ 100 (2,379)	-0.16%	7.52%	23.23%	20.15%	8.45%
S&P 500 Growth	0.27%	7.41%	20.60%	15.09%	4.99%
S&P 500 Value	-0.49%	6.81%	15.38%	15.13%	0.68%
S&P MidCap 400 Growth	1.16%	11.88%	30.29%	30.65%	8.04%
S&P MidCap 400 Value	-0.06%	8.28%	19.25%	22.80%	4.51%
S&P SmallCap 600 Growth	1.13%	11.62%	27.25%	28.43%	5.81%
S&P SmallCap 600 Value	0.27%	4.47%	12.09%	25.01%	2.69%
MSCI EAFE	-1.99%	5.13%	20.62%	7.75%	0.34%
MSCI World (ex US)	-1.90%	3.73%	20.08%	11.15%	2.28%
MSCI World	-1.08%	5.91%	18.96%	11.76%	1.65%
MSCI Emerging Markets	-1.48%	0.27%	20.01%	18.88%	8.37%

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 05/13/11.

S&P Sector Performance

Index	Week	YTD	12-mo.	2010	5-yr
Consumer Discretionary	0.77%	8.88%	23.04%	27.85%	5.20%
Consumer Staples	2.15%	9.99%	20.40%	14.12%	9.40%
Energy	-1.23%	8.94%	30.49%	20.46%	7.35%
Financials	-2.11%	-0.77%	1.21%	12.18%	-11.66%
Health Care	1.77%	15.20%	21.11%	2.90%	5.59%
Industrials	-0.87%	8.92%	19.88%	26.74%	2.92%
Information Technology	-0.36%	5.14%	14.69%	10.22%	6.38%
Materials	-1.63%	1.11%	25.23%	22.34%	5.33%
Telecom Services	0.59%	7.30%	34.02%	18.97%	6.25%
Utilities	1.93%	9.41%	17.51%	5.46%	5.70%

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 05/13/11.

Bond Index Performance

Index	Week	YTD	12-mo.	2010	5-yr
U.S. Treasury: Intermediate	0.07%	1.55%	4.37%	5.29%	5.90%
GNMA 30 Year	0.25%	2.63%	5.92%	6.71%	7.09%
U.S. Aggregate	0.05%	2.33%	5.70%	6.54%	6.56%
U.S. Corporate High Yield	0.15%	5.97%	15.60%	15.12%	9.34%
U.S. Corporate Investment Grade	-0.06%	3.38%	8.83%	9.00%	7.19%
Municipal Bond: Long Bond (22+)	0.89%	4.17%	1.06%	1.12%	3.49%
Global Aggregate	-0.55%	3.51%	11.04%	5.55%	6.77%

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 05/13/11.

Key Rates

As of 05/13/11

Fed Funds	0.00-0.25%	5-yr CD	1.96%
LIBOR (1-month)	0.20%	2-yr T-Note	0.53%
CPI - Headline	3.20%	5-yr T-Note	1.84%
CPI - Core	1.30%	10-yr T-Note	3.17%
Money Market Accts.	0.62%	30-yr T-Bond	4.31%
Money Market Funds	0.02%	30-yr Mortgage	4.58%
6-mo CD	0.57%	Prime Rate	3.25%
1-yr CD	0.90%	Bond Buyer 40	5.41%

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

Market Indicators

As of 05/13/11

TED Spread	24 bps
Investment Grade Spread (A2)	163 bps
ML High Yield Master II Index Spread	480 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 5/4/11

Estimated Flows to Long-Term Mutual Funds			
	Current Week	Previous	
Domestic Equity	-\$2.032 Billion	-\$726	Million
Foreign Equity	\$132 Million	-\$180	Million
Taxable Bond	\$6.398 Billion	\$3.618	Billion
Municipal Bond	-\$274 Million	-\$605	Million
Change in Money Market Fund Assets			
	Current Week	Previous	
Retail	\$2.90 Billion	-\$0.67	Billion
Institutional	\$21.16 Billion	\$0.26	Billion

Source: Investment Company Institute

Factoids for the week of May 9th – 13th

Monday, May 9, 2011

Moody's reported that the *global speculative-grade* default rate stood at 2.3% in April, down from 2.6% in March, according to Creditflux.com. The rate was 9.0% a year ago. Moody's is now forecasting a default rate of 1.5% for December 2011. The *U.S. speculative-grade* default rate stood at 2.6% in April, down from 2.9% in March. The rate was 9.5% a year ago. The default rate on senior loans stood at 1.50% in April, down from 1.62% in March, according to Standard & Poor's LCD. If defaults continue to fall at the current pace the rate will close 2011 at 0.93%, well below the historical average of 3.43%.

Tuesday, May 10, 2011

China's commercial property market is attracting significant amounts of capital from foreign investors and multinational companies, according to GlobalTimes.com. There were seven transactions (excluding land deals) in Shanghai alone in Q1 totaling \$708 million, and foreign investors had capital in half of them, according to Cushman & Wakefield. In 2010, en bloc real estate investment transactions in China totaled a record \$15.02 billion, with a record \$5.1 billion coming from foreign investors, according to consultant Jones Lang LaSalle. Foreign investors purchased \$3.5 billion in 2007, prior to the recession.

Wednesday, May 11, 2011

So far this year, M&A activity in the health care industry worldwide has totaled \$84.8 billion, up from \$44.8 billion over the same period a year ago, according to Thomson Reuters. David Snow, chief executive of Medco Health Solutions, believes that major drugmakers, in particular, need the growth potential of the biotech sector more than ever. Snow also believes that no biotech company is too big to be bought. While a \$5 billion market cap is often cited as a suitable target, an established biotech like Amgen carries a market cap of \$54 billion.

Thursday, May 12, 2011

Data from the Census Bureau shows that without Social Security, 45% of seniors would be living under the poverty line (\$10,458 for 65 and older), according to *The Washington Post*. With Social Security, 10% are under the line. In June 2010, 53.4 million people, or about one in every six U.S. residents, collected Social Security benefits. While 75% of them received benefits as retirees or elderly widow(er)s, another 10.0 million (19%) received disability insurance benefits, and 2.3 million (4%) received benefits as young survivors of deceased workers, according to the Center on Budget Policies and Priorities.

Friday, May 13, 2011

In 2001, the Congressional Budget Office (CBO) projected that the federal government would run a surplus of \$5.6 trillion over the coming decade, according to CNNMoney.com. It obviously didn't happen. As it turned out, the U.S. posted a deficit totaling \$6.2 trillion, a swing of \$11.8 trillion, according to the CBO. It estimates that \$8.5 trillion of the swing came from policies established by lawmakers, while the other \$3.3 trillion stemmed from recessions and other economic events.