

Stock Index Performance

Index	Week	YTD	12-mo.	2010	5-yr.
Dow Jones Industrial Avg. (12,512)	-0.55%	9.20%	27.59%	14.06%	5.13%
S&P 500 (1,333)	-0.28%	6.81%	26.92%	15.06%	3.18%
NASDAQ 100 (2,351)	-1.10%	6.34%	31.67%	20.15%	8.67%
S&P 500 Growth	-0.33%	7.06%	29.61%	15.09%	5.25%
S&P 500 Value	-0.22%	6.58%	24.40%	15.13%	1.06%
S&P MidCap 400 Growth	-1.00%	10.76%	41.13%	30.65%	8.59%
S&P MidCap 400 Value	-0.38%	7.88%	30.23%	22.80%	5.11%
S&P SmallCap 600 Growth	-0.65%	10.89%	37.99%	28.43%	6.17%
S&P SmallCap 600 Value	-1.05%	3.38%	22.91%	25.01%	2.95%
MSCI EAFE	-0.78%	4.32%	29.56%	7.75%	1.29%
MSCI World (ex US)	-0.47%	3.24%	30.24%	11.15%	3.40%
MSCI World	-0.41%	5.48%	28.29%	11.76%	2.33%
MSCI Emerging Markets	-0.28%	-0.01%	32.18%	18.88%	10.16%

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 05/20/11.

S&P Sector Performance

Index	Week	YTD	12-mo.	2010	5-yr.
Consumer Discretionary	-0.74%	8.07%	31.72%	27.85%	5.31%
Consumer Staples	0.64%	10.69%	26.02%	14.12%	9.56%
Energy	1.04%	10.07%	44.23%	20.46%	8.55%
Financials	-0.32%	-1.09%	11.77%	12.18%	-11.38%
Health Care	-0.12%	15.07%	28.16%	2.90%	5.62%
Industrials	-0.81%	8.05%	30.99%	26.74%	3.26%
Information Technology	-1.46%	3.61%	22.04%	10.22%	6.51%
Materials	-0.31%	0.80%	36.73%	22.34%	6.29%
Telecom Services	0.33%	7.65%	39.17%	18.97%	6.52%
Utilities	0.70%	10.18%	25.49%	5.46%	5.98%

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 05/20/11.

Bond Index Performance

Index	Week	YTD	12-mo.	2010	5-yr.
U.S. Treasury: Intermediate	0.18%	1.73%	3.58%	5.29%	5.84%
GNMA 30 Year	0.28%	2.92%	5.49%	6.71%	7.03%
U.S. Aggregate	0.21%	2.54%	4.97%	6.54%	6.48%
U.S. Corporate High Yield	0.11%	6.08%	18.39%	15.12%	9.44%
U.S. Corporate Investment Grade	0.23%	3.61%	7.92%	9.00%	7.08%
Municipal Bond: Long Bond (22+)	0.61%	4.81%	1.20%	1.12%	3.47%
Global Aggregate	-0.23%	3.27%	10.48%	5.55%	6.79%

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 05/20/11.

Key Rates

As of 05/20/11

Fed Funds	0.00-0.25%	5-yr CD	1.96%
LIBOR (1-month)	0.20%	2-yr T-Note	0.51%
CPI - Headline	3.20%	5-yr T-Note	1.79%
CPI - Core	1.30%	10-yr T-Note	3.14%
Money Market Accts.	0.63%	30-yr T-Bond	4.30%
Money Market Funds	0.02%	30-yr Mortgage	4.59%
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 05/20/11

TED Spread	21 bps
Investment Grade Spread (A2)	166 bps
ML High Yield Master II Index Spread	482 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

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

Estimated Flows to Long-Term Mutual Funds

	Current Week	Previous
Domestic Equity	-\$2.251 Billion	-\$2.032 Billion
Foreign Equity	\$1.301 Billion	\$132 Million
Taxable Bond	\$4.035 Billion	\$6.398 Billion
Municipal Bond	\$38 Million	-\$274 Million

Change in Money Market Fund Assets

	Current Week	Previous
Retail	\$0.67 Billion	\$2.90 Billion
Institutional	-\$13.11 Billion	\$21.16 Billion

Source: Investment Company Institute

Factoids for the week of May 16th – 20th

Monday, May 16, 2011

Close to 20 million adult children in the U.S. live with their parents, and most would prefer to move out, according to Peter Francese, a demographic analyst at Ogilvy & Mather. UBS Securities estimates that one million new households will be created in 2011, according to *Bloomberg Businessweek*. That is well above the 357,000 created for the 12-month period ended March 2010, the lowest number for a 12-month span since the Census Bureau started tracking household starts in 1960. A typical new renter spends \$600 to \$1,900 on new furniture, appliances, and other household goods in the first six months, according to C. Britt Beemer, chairman of America's Research Group.

Tuesday, May 17, 2011

At the close of the first week of May, 83% of the constituents in the S&P 500 had reported their quarterly earnings, and the results indicated that the index was on track to post earnings growth of 19.1%, according to S&P's Capital IQ. That is well above the 12.2% growth forecasted by equity analysts on Wall Street just prior to the start of earnings season on April 8. Including this quarter's results, earnings have risen by double-digits for six consecutive quarters. The record for such a streak is 14 (Q3'03-Q4'06). The five sectors that have delivered the most positive earnings surprises so far are as follows: Materials (18.1%); Energy (15.1%); Industrials (9.6%); Health Care (7.6%); and Information Technology (7.2%).

Wednesday, May 18, 2011

Dealogic reported today that outbound M&A activity from emerging markets (EM) reached its highest volume in three years, according to MarketWatch.com. Year-to-date, outbound deal volume totaled \$55.6 billion (363 deals), up 38% from a year ago. It is the second-highest volume on record, trailing only 2008's \$66.7 billion (417 deals). China has been the most aggressive with deals valued at \$15 billion. Its top three targets have been Canada (\$5.8 billion), Australia (\$2.2 billion) and Norway (\$2.2 billion). The U.S. has been the most targeted nation overall with a record \$17.8 billion in deal volume.

Thursday, May 19, 2011

A recent poll from the Pew Charitable Trusts found that only 32% of Americans regard their personal finances as excellent or good, down nine percentage points from this point a year ago and 23 percentage points lower than 2007's poll, according to CNNMoney.com. Only 47% of those surveyed believe their kids will enjoy a higher standard of living than they are, down from 62% in 2009.

Friday, May 20, 2011

Several indicators suggest that the tide has turned for the better with respect to the financial condition of the U.S. Standard & Poor's data shows there were 15 corporate debt (10 U.S.) defaults in the first 19 weeks of 2011, down from 35 (24 U.S.) over the same span in 2010, according to Yahoo! Finance. In that same 19-week period, 40 banks with a combined \$17.2 billion in assets closed their doors, down from 72 banks with assets totaling \$66.0 billion last year. Delinquency rates on residential loans stood at 8.32% in Q1'11, down from 10.06% in Q1'10, according to the Mortgage Bankers Association.