

Stock Index Performance

Index	Week	YTD	12-mo.	2010	5-yr.
Dow Jones Industrial Avg. (12,657)	0.65%	10.79%	28.14%	14.06%	5.48%
S&P 500 (1,344)	0.35%	7.95%	28.07%	15.06%	3.38%
NASDAQ 100 (2,406)	1.90%	8.91%	34.86%	20.15%	10.12%
S&P 500 Growth	1.08%	9.55%	31.65%	15.09%	5.81%
S&P 500 Value	-0.41%	6.31%	24.62%	15.13%	0.89%
S&P MidCap 400 Growth	1.64%	14.33%	45.96%	30.65%	9.65%
S&P MidCap 400 Value	0.40%	8.78%	32.55%	22.80%	5.40%
S&P SmallCap 600 Growth	1.56%	14.75%	44.74%	28.43%	7.35%
S&P SmallCap 600 Value	1.11%	6.98%	33.45%	25.01%	4.04%
MSCI EAFE	-0.52%	4.95%	24.54%	7.75%	1.39%
MSCI World (ex US)	-0.17%	4.23%	25.16%	11.15%	3.67%
MSCI World	-0.03%	6.27%	26.39%	11.76%	2.47%
MSCI Emerging Markets	0.70%	2.53%	26.59%	18.88%	11.63%

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 07/08/11.

S&P Sector Performance

Index	Week	YTD	12-mo.	2010	5-yr.
Consumer Discretionary	0.82%	11.42%	40.12%	27.85%	6.41%
Consumer Staples	0.83%	9.62%	23.82%	14.12%	8.59%
Energy	0.94%	13.51%	48.25%	20.46%	8.17%
Financials	-1.12%	-2.41%	9.57%	12.18%	-11.61%
Health Care	-0.50%	14.81%	25.94%	2.90%	5.40%
Industrials	-0.25%	9.65%	35.54%	26.74%	3.97%
Information Technology	1.60%	5.50%	24.54%	10.22%	7.82%
Materials	1.31%	6.05%	42.48%	22.34%	7.52%
Telecom Services	-0.23%	8.21%	35.61%	18.97%	5.62%
Utilities	-0.35%	10.05%	19.16%	5.46%	4.81%

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 07/08/11.

Bond Index Performance

Index	Week	YTD	12-mo.	2010	5-yr.
U.S. Treasury: Intermediate	0.76%	2.80%	3.42%	5.29%	6.02%
GNMA 30 Year	0.36%	3.84%	5.01%	6.71%	7.18%
U.S. Aggregate	0.79%	3.41%	4.63%	6.54%	6.63%
U.S. Corporate High Yield	0.67%	5.83%	15.75%	15.12%	9.41%
U.S. Corporate Investment Grade	1.32%	4.43%	7.68%	9.00%	7.26%
Municipal Bond: Long Bond (22+)	0.22%	6.04%	2.30%	1.12%	3.72%
Global Aggregate	0.03%	4.32%	9.23%	5.55%	7.03%

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 07/08/11.

Key Rates

As of 07/08/11			
Fed Funds	0.00-0.25%	5-yr CD	1.90%
LIBOR (1-month)	0.19%	2-yr T-Note	0.39%
CPI - Headline	3.60%	5-yr T-Note	1.57%
CPI - Core	1.50%	10-yr T-Note	3.02%
Money Market Accts.	0.63%	30-yr T-Bond	4.28%
Money Market Funds	0.02%	30-yr Mortgage	4.55%
6-mo CD	0.59%	Prime Rate	3.25%
1-yr CD	0.93%	Bond Buyer 40	5.24%

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

Market Indicators

As of 07/08/11	
TED Spread	22 bps
Investment Grade Spread (A2)	178 bps
ML High Yield Master II Index Spread	540 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 6/29/11

Estimated Flows to Long-Term Mutual Funds				
	Current Week		Previous	
Domestic Equity	-\$2.999	Billion	-\$4.259	Billion
Foreign Equity	\$761	Million	\$255	Million
Taxable Bond	\$2.168	Billion	\$1.480	Billion
Municipal Bond	\$167	Million	\$403	Million

Change in Money Market Fund Assets				
	Current Week		Previous	
Retail	\$3.62	Billion	-\$4.33	Billion
Institutional	\$0.31	Billion	-\$12.53	Billion

Source: Investment Company Institute

Factoids for the week of July 4th – 8th

Monday, July 4, 2011

Markets Closed, Independence Day

Tuesday, July 5, 2011

Bloomberg reported that the number of municipal bond defaults totaled 25 (\$752 million) in the first half of 2011, according to Jack Colombo, editor of the Distressed Debt Securities Newsletter. That was well below the 60 defaults, valued at \$2.87 billion, registered in the first half of 2010. Municipal bonds posted the best return of the major debt categories in the first half of 2011. The following 6-month index returns are provided by Barclays Capital (6/30): Municipal Bond: Long Bond 22+ (+5.88%); Global Emerging Markets (+5.84%); U.S. Corporate High Yield (+4.97%); Global Aggregate (+4.38%); GNMA 30 (+3.56%); Intermediate Corporate (+3.26%); U.S. Aggregate (+2.72%); and U.S. Treasury Intermediate (+2.20%).

Wednesday, July 6, 2011

The manufacturing sector is leading the U.S. economy for the first time since the 1970s and companies in this space are "lean and mean" following an extended period of plant closings and employee downsizing, according to a Kiplinger interview with James Paulsen, economist and chief investment strategist at Wells Capital Management. While employment in the sector is down about 23% from levels reached 30 years ago, U.S. manufacturing output is up 2.5 times since 1972, according to MSNMoney.com. The U.S. is still the world's largest manufacturer, producing 21% of all goods – the same share it held 30 years ago, according to the National Association of Manufacturers. Industrials and materials are two sectors that Paulsen believes should be owned, according to Kiplinger's "2011 Midyear Investing Outlook."

Thursday, July 7, 2011

Approximately 7,000 publicly owned companies report dividend information to Standard & Poor's Dividend Record. In Q2'11, the number of companies that increased their distributions totaled 444 – up 32.5% from the 335 increases registered in Q2 '10. The number of companies that decreased their distributions totaled 21 – down 38.2% from the 34 decreases registered in Q2'10. Howard Silverblatt, Senior Index Analyst at S&P, reported that dividend increases in the first half of 2011 totaled \$30 billion, surpassing the \$26.5 billion in increases for all of 2010.

Friday, July 8, 2011

The World Semiconductor Trade Statistics (WSTS) organization recently raised its semiconductor sales forecast for 2011 from 4.5% growth to 5.4% (\$314.4 billion), according to the Semiconductor Industry Association. The WSTS sees sales growth increasing by 7.6% in 2012. Demand is clearly strongest for high-end electronics. All regional markets, namely the Americas, Europe and Asia (minus Japan) are projecting y-o-y growth for 2011 and 2012. Demand in Japan is expected to fall 6.2% (Tsunami) in 2011, but rebound in 2012 with a 9.8% growth rate. The Americas are expected to account for \$58.1 billion of the \$314.4 billion in total sales this year.