

Stock Index Performance

Index	Week	YTD	12-mo.	2010	5-yr.
Dow Jones Industrial Avg. (11,240)	-0.34%	-1.14%	12.31%	14.06%	2.35%
S&P 500 (1,174)	-0.18%	-5.38%	10.83%	15.06%	-0.08%
NASDAQ 100 (2,168)	0.28%	-1.67%	20.08%	20.15%	7.10%
S&P 500 Growth	0.07%	-2.27%	16.16%	15.09%	2.51%
S&P 500 Value	-0.46%	-8.60%	5.60%	15.13%	-2.75%
S&P MidCap 400 Growth	-0.11%	-4.63%	18.73%	30.65%	5.84%
S&P MidCap 400 Value	-0.51%	-10.04%	7.83%	22.80%	1.32%
S&P SmallCap 600 Growth	-0.66%	-5.87%	18.82%	28.43%	3.44%
S&P SmallCap 600 Value	-1.33%	-12.70%	8.21%	25.01%	-0.38%
MSCI EAFE	2.28%	-8.20%	4.52%	7.75%	-2.00%
MSCI World (ex US)	2.94%	-8.23%	5.43%	11.15%	0.31%
MSCI World	1.09%	-6.75%	7.98%	11.76%	-0.90%
MSCI Emerging Markets	4.75%	-9.54%	5.72%	18.88%	8.01%

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 09/02/11.

S&P Sector Performance

Index	Week	YTD	12-mo.	2010	5-yr.
Consumer Discretionary	-0.09%	-2.83%	17.70%	27.85%	3.33%
Consumer Staples	0.65%	5.11%	16.02%	14.12%	6.55%
Energy	0.40%	-2.13%	25.19%	20.46%	4.67%
Financials	-1.86%	-20.79%	-9.67%	12.18%	-15.81%
Health Care	0.58%	4.12%	14.99%	2.90%	1.68%
Industrials	-0.04%	-10.36%	7.50%	26.74%	0.25%
Information Technology	-0.52%	-5.91%	13.28%	10.22%	4.06%
Materials	0.34%	-9.78%	12.54%	22.34%	3.81%
Telecom Services	-1.36%	-2.31%	11.56%	18.97%	1.95%
Utilities	0.89%	8.64%	10.56%	5.46%	3.16%

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 09/02/11.

Bond Index Performance

Index	Week	YTD	12-mo.	2010	5-yr.
U.S. Treasury: Intermediate	0.39%	5.93%	4.76%	5.29%	6.21%
GNMA 30 Year	0.61%	6.86%	6.90%	6.71%	7.17%
U.S. Aggregate	0.83%	6.69%	5.88%	6.54%	6.70%
U.S. Corporate High Yield	1.62%	2.30%	8.34%	15.12%	8.14%
U.S. Corporate Investment Grade	1.60%	7.20%	6.97%	9.00%	7.14%
Municipal Bond: Long Bond (22+)	0.71%	10.35%	2.70%	1.12%	3.91%
Global Aggregate	0.22%	7.94%	9.27%	5.55%	7.33%

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 09/02/11.

Key Rates

As of 09/02/11

Fed Funds	0.00-0.25%	5-yr CD	1.70%
LIBOR (1-month)	0.22%	2-yr T-Note	0.19%
CPI - Headline	3.60%	5-yr T-Note	0.86%
CPI - Core	1.80%	10-yr T-Note	1.98%
Money Market Accts.	0.57%	30-yr T-Bond	3.28%
Money Market Funds	0.02%	30-yr Mortgage	4.21%
6-mo CD	0.53%	Prime Rate	3.25%
1-yr CD	0.83%	Bond Buyer 40	5.06%

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

Market Indicators

As of 09/02/11

TED Spread	31 bps
Investment Grade Spread (A2)	235 bps
ML High Yield Master II Index Spread	734 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 8/24/11

Estimated Flows to Long-Term Mutual Funds

	Current Week	Previous
Domestic Equity	-\$2.596 Billion	\$1.131 Billion
Foreign Equity	-\$610 Million	\$345 Million
Taxable Bond	\$287 Million	-\$2.735 Billion
Municipal Bond	\$8 Million	-\$387 Million

Change in Money Market Fund Assets

	Current Week	Previous
Retail	\$0.03 Billion	-\$6.82 Billion
Institutional	\$7.92 Billion	\$4.72 Billion

Source: Investment Company Institute

Factoids for the week of August 29th – September 2nd

Monday, August 29, 2011

More than 20% of S&P 500 companies have P/E's in the single digits, according to SmartMoney.com. The forward-looking P/E on the index is 12.1. Standard & Poor's own earnings growth estimates for the S&P 500 are \$98.71 for 2011 and \$113.02 for 2012. The nonfinancial companies in the index hold more than \$1.1 trillion in cash and equivalents. That total stood at \$654 billion in 2008. U.S. companies are currently paying just 29% of their profits to shareholders as dividends, the lowest rate on record, according to Bank of America Merrill Lynch. Based on dividend forecasts moving forward, the yield on the S&P 500 could rise from 2.2% today to 2.8% in 2013, according to SmartMoney.com.

Tuesday, August 30, 2011

A report on the American insurance industry from A.M. Best noted that disaster-related losses this year already surpassed the amount for all of 2010, and that doesn't include the \$7 billion in potential losses from Hurricane Irene, according to Yahoo.com. The report put losses for the first half of 2011 at \$27.0 billion, up from \$11.9 billion in the first half of 2010 and more than the \$19.6 billion for all of 2010. The total amount of damages from the terrorist attacks on September 11, 2001, approached \$23 billion.

Wednesday, August 31, 2011

When Medicare Part D went live on 1/1/06 the main fear was that the newly available drug benefit insurance for seniors would boost demand for prescription drugs and dramatically increase Medicare expenditures, according to the IMS Institute for Healthcare Informatics. In 2005, Medicare Trustees estimated that total Part D expenditures would reach \$108.1 billion in 2009. In 2010, the Medicare Trustees reported that total expenditures in 2009 were \$60.5 billion, 44% lower than the estimate.

Thursday, September 1, 2011

In August, the dividend-payers (389) in the S&P 500 (equal weight) posted a total return of -6.04%, vs. -7.69% for the non-payers (111), according to Standard & Poor's. Y-T-D, the payers were down 2.26%, vs. a loss of 4.96% for the non-payers. For the 12-month period ended August '11, payers were up 16.79%, vs. a gain of 14.37% for the non-payers. The number of dividend increases y-t-d totaled 226, up from 165 increases a year ago. Seventeen companies initiated dividends, up from 10 a year ago. Four dividends were cut, up from two cuts last year.

Friday, September 2, 2011

The federal government (FNMA, Freddie Mac and FHA) is currently in possession of 248,000 foreclosed homes (known as real-estate-owned properties or REOs) and is struggling to devise a way of unloading them without further depressing real estate values, according to Bloomberg Businessweek. Overall, 800,000 homes have been repossessed in the U.S. Over 20% of the 3.65 million homes for sale in July were foreclosures, according to RealtyTrac. The Obama Administration's loan-modification program has assisted approximately 657,000 homeowners, but that is well short of its goal of 3-4 million.