

Stock Index Performance					
Index	Week	YTD	12-mo.	2011	5-yr.
Dow Jones Industrial Avg. (13,344)	0.17%	11.58%	19.20%	8.41%	2.58%
S&P 500 (1,433)	0.34%	15.98%	21.12%	2.12%	1.30%
NASDAQ 100 (2,678)	-1.54%	18.63%	16.97%	3.69%	5.53%
S&P 500 Growth	-0.41%	15.20%	19.43%	4.70%	3.49%
S&P 500 Value	1.26%	16.92%	23.16%	-0.48%	-0.94%
S&P MidCap 400 Growth	0.85%	13.28%	16.89%	-0.95%	5.12%
S&P MidCap 400 Value	1.62%	14.48%	22.84%	-2.40%	2.92%
S&P SmallCap 600 Growth	0.06%	10.72%	19.81%	3.67%	3.88%
S&P SmallCap 600 Value	0.20%	13.02%	23.86%	-1.34%	2.88%
MSCI EAFE	2.52%	13.03%	10.13%	-12.14%	-4.87%
MSCI World (ex US)	2.01%	12.54%	10.15%	-13.71%	-4.04%
MSCI World	1.26%	14.02%	15.19%	-5.54%	-1.91%
MSCI Emerging Markets	1.00%	12.49%	10.71%	-18.42%	-2.13%

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 10/19/12.

S&P Sector Performance					
Index	Week	YTD	12-mo.	2011	5-yr.
Consumer Discretionary	0.81%	20.94%	24.77%	6.24%	7.23%
Consumer Staples	-0.50%	12.28%	19.65%	14.03%	8.22%
Energy	1.76%	8.14%	13.14%	4.72%	1.27%
Financials	1.95%	25.72%	30.65%	-17.07%	-11.21%
Health Care	0.74%	19.30%	28.20%	12.77%	5.15%
Industrials	0.78%	11.83%	19.84%	-0.59%	0.14%
Information Technology	-2.43%	15.21%	15.65%	2.43%	3.45%
Materials	2.11%	12.90%	18.39%	-9.68%	0.37%
Telecom Services	-0.15%	22.44%	28.79%	6.33%	2.49%
Utilities	1.83%	6.43%	13.53%	20.02%	2.92%

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 10/19/12.

Bond Index Performance					
Index	Week	YTD	12-mo.	2011	5-yr.
U.S. Treasury: Intermediate	-0.29%	1.30%	2.40%	6.57%	5.08%
GNMA 30 Year	-0.20%	2.29%	3.85%	7.97%	6.46%
U.S. Aggregate	-0.18%	3.97%	5.57%	7.84%	6.28%
U.S. Corporate High Yield	0.62%	13.56%	17.55%	4.98%	9.51%
U.S. Corporate Investment Grade	0.19%	9.94%	11.86%	8.15%	7.95%
Municipal Bond: Long Bond (22+)	-0.04%	10.25%	13.05%	14.88%	5.96%
Global Aggregate	-0.30%	4.77%	4.24%	5.64%	5.99%

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 10/19/12.

Key Rates			
As of 10/19/12			
Fed Funds	0.00-0.25%	5-yr CD	1.35%
LIBOR (1-month)	0.21%	2-yr T-Note	0.30%
CPI - Headline	2.00%	5-yr T-Note	0.75%
CPI - Core	2.00%	10-yr T-Note	1.77%
Money Market Accts.	0.49%	30-yr T-Bond	2.94%
Money Market Funds	0.03%	30-yr Mortgage	3.47%
6-mo CD	0.47%	Prime Rate	3.25%
1-yr CD	0.72%	Bond Buyer 40	4.15%

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

Market Indicators	
As of 10/19/12	
TED Spread	22 bps
Investment Grade Spread (A2)	169 bps
ML High Yield Master II Index Spread	531 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows			
Estimated Flows to Long-Term Mutual Funds for the Week Ended 10/10/12			
	Current Week	Previous	
Domestic Equity	-\$2.314 Billion	-\$10.599	Billion
Foreign Equity	-\$295 Million	-\$483	Million
Taxable Bond	\$8.163 Billion	\$8.058	Billion
Municipal Bond	\$1.346 Billion	\$2.816	Billion

Change in Money Market Fund Assets for the Week Ended 10/17/12			
	Current Week	Previous	
Retail	-\$0.94 Billion	-\$2.90	Billion
Institutional	\$6.78 Billion	\$1.52	Billion

Source: Investment Company Institute

Factoids for the week of October 15th – 19th

Monday, October 15, 2012

Moody's reported that the global speculative-grade default rate stood at 3.0% in September, no change from August, according to Bloomberg Businessweek. The rate was 1.8% a year ago. Moody's is forecasting a default rate of 3.0% for December 2012 and 2.9% by September 2013. The historical average for the default rate on speculative-grade debt has been 4.8% since 1983. The U.S. speculative-grade default rate stood at 3.5% in September, no change from August. The rate was 2.0% a year ago. The default rate on senior loans stood at 1.06% in September, down from 1.21% in August, according to Standard & Poor's LCD. Its latest quarterly buyside survey of leveraged loan managers revealed that they expect default rates to trend higher towards 1.54% by the end of 2012, but remain below their historical average of 3.4%.

Tuesday, October 16, 2012

A new study from Boston Consulting Group found that the U.S. manufacturing industry is not only having a hard time filling skilled factory positions today, but the dilemma is likely to get far more challenging in the years ahead, according to the Los Angeles Times. The current deficit is estimated to be 80,000 to 100,000 workers. By the end of the decade, the study sees the figure rising to as high as 875,000 workers. There are currently 11.5 million factory workers in the U.S. The average high-skilled manufacturing worker is 56 years old. Only 16% of manufacturers recruit in high schools, while 57% partner with community colleges on training programs.

Wednesday, October 17, 2012

Gartner reported that the public cloud computing services market is expected to grow 19.6% to \$109 billion worldwide in 2012, according to Business-Standard.com. Cloud computing allows companies to use software, applications and other services on a pay-per-use basis. Infrastructure is the fastest growing segment. It is expected to grow by 45.4% this year. The area known as business process services constitutes the largest segment, accounting for roughly 77% of the total cloud computing services market. The total public cloud services market is expected to grow to \$206.6 billion by 2016.

Thursday, October 18, 2012

Holiday retail sales are expected to increase 4.1% this year to \$586.1 billion, according to the National Retail Federation. The average holiday shopper will spend an estimated \$749.51 on gifts, decorations, greeting cards and more, with 56% (\$421.82) going towards gifts for family members. Four out of 10 shoppers plan to begin shopping before Halloween. More than half of shoppers (51.8%) intend to buy gifts online this season, up from 46.7% last year. Six out of 10 shoppers say they would prefer to receive gift cards. The S&P Retail Select Industry Index, which tracks 93 companies, posted a total return of 21.6% year-to-date through 10/17, topping the 18.2% gain for the S&P 500.

Friday, October 19, 2012

Thomson Reuters reported that life sciences venture capital (VC) deals topped \$1.7 billion (181 deals) in Q3'12, accounting for more than 25% of all VC investments in the quarter, according to FierceBiotech. Biotechnology companies garnered \$1.2 billion (116 deals) of the life sciences' share. Biotech companies took in \$1.1 billion (96 deals) in Q3'11.