Stock Index Performance

Index	Week	YTD	12-mo.	2011	5-yr.
Dow Jones Industrial Avg. (13,155)	1.10%	10.59%	10.89%	8.41%	2.15%
S&P 500 (1,418)	0.20%	15.19%	15.02%	2.12%	1.04%
NASDAQ 100 (2,641)	-1.38%	17.34%	15.21%	3.69%	5.28%
S&P 500 Growth	-0.38%	14.36%	13.85%	4.70%	3.06%
S&P 500 Value	0.97%	16.34%	16.61%	-0.48%	-1.01%
S&P MidCap 400 Growth	0.02%	16.02%	13.59%	-0.95%	5.16%
S&P MidCap 400 Value	0.56%	15.93%	16.28%	-2.40%	3.25%
S&P SmallCap 600 Growth	0.02%	11.41%	11.16%	3.67%	4.43%
S&P SmallCap 600 Value	0.29%	14.82%	15.80%	-1.34%	3.52%
MSCI EAFE	0.81%	14.61%	12.17%	-12.14%	-4.71%
MSCI World (ex US)	0.94%	13.97%	10.93%	-13.71%	-3.89%
MSCI World	0.43%	14.18%	12.88%	-5.54%	-1.95%
MSCI Emerging Markets	1.70%	14.63%	9.58%	-18.42%	-2.09%

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 12/7/12.

S&P Sector Performance

Index	Week	YTD	12-mo.	2011	5-yr.
Consumer Discretionary	-0.21%	23.13%	22.33%	6.24%	8.31%
Consumer Staples	0.68%	13.97%	16.76%	14.03%	7.19%
Energy	0.72%	4.77%	3.94%	4.72%	0.32%
Financials	1.75%	25.17%	22.92%	-17.07%	-10.50%
Health Care	0.63%	18.87%	22.21%	12.77%	4.18%
Industrials	0.93%	13.59%	14.03%	-0.59%	0.33%
Information Technology	-1.37%	13.27%	10.37%	2.43%	3.07%
Materials	-1.84%	9.66%	6.78%	-9.68%	-0.90%
Telecom Services	-0.35%	18.98%	22.56%	6.33%	2.95%
Utilities	0.38%	1.64%	5.51%	20.02%	-0.20%

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 12/7/12.

Bond Index Performance

Index	Week	YTD	12-mo.	2011	5-yr.
U.S. Treasury: Intermediate	-0.02%	1.90%	2.23%	6.57%	4.76%
GNMA 30 Year	-0.07%	2.24%	2.54%	7.97%	6.19%
U.S. Aggregate	-0.02%	4.35%	4.98%	7.84%	6.20%
U.S. Corporate High Yield	0.91%	15.05%	16.32%	4.98%	10.19%
U.S. Corporate Investment Grade	-0.02%	9.87%	10.88%	8.15%	8.19%
Municipal Bond: Long Bond (22+)	0.12%	13.52%	15.06%	14.88%	6.90%
Global Aggregate	0.01%	4.67%	4.76%	5.64%	5.59%

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 12/7/12.

Key Rates

As of 12/7/12

Fed Funds	0.00-0.25%	5-yr CD	1.37%
LIBOR (1-month)	0.21%	2-yr T-Note	0.24%
CPI - Headline	2.20%	5-yr T-Note	0.62%
CPI - Core	2.00%	10-yr T-Note	1.62%
Money Market Accts.	0.49%	30-yr T-Bond	2.82%
Money Market Funds	0.02%	30-yr Mortgage	3.36%
6-mo CD	0.48%	Prime Rate	3.25%
1-yr CD	0.74%	Bond Buyer 40	3.89%

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

Market Indicators

As of 12/7/12

TED Spread	23 bps
Investment Grade Spread (A2)	185 bps
ML High Yield Master II Index Spread	542 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 11/28/12

	Current Week		Previous	
Domestic Equity	-$481	Million	-$7.509	Billion
Foreign Equity	-$15	Million	-$1.310	Billion
Taxable Bond	$3.133	Billion	$3.131	Billion
Municipal Bond	$1.305	Billion	$1.366	Billion

Change in Money Market Fund Assets for the Week Ended 12/5/12

	Current Week		Previous	
Retail	$2.85	Billion	$1.32	Billion
Institutional	$29.48	Billion	$8.76	Billion

Source: Investment Company Institute

Factoids for the week of December 3rd – 7th

Monday, December 3, 2012

Historical stock market data shows that extended periods of market weakness are followed by market strength, according to an article at Kiplinger.com by Jeremy Siegel, professor at the University of Pennsylvania's Wharton School. Siegel found that when stock returns for the preceding five years fall in the bottom 25% of all five-year returns, as was the case for the S&P 500's -1.24% cumulative total return from 2007-2011, the annualized return on stocks over the following two-year period is 20%. That is a little more than double the S&P 500's long-term average gain of 9.9%. The S&P 500's total return for 2012 reached 13.0% in the first 30 minutes of today's trading session.

Tuesday, December 4, 2012

CoreLogic reported that prices on the U.S.'s least expensive homes rose 10% in the 12 months through October 2012, versus a 7.6% increase for the nation's most expensive homes, according to *USA TODAY*. Until recently, the values of the least expensive homes, which fell more in the housing bust, lagged their more expensive counterparts. One of the reasons for the recovery in prices stems from investors buying these cheaper homes to market them as rentals. Currently, the least expensive homes are down 32% from their peak values, versus 21% for top-tier homes, according to Zillow.

Wednesday, December 5, 2012

In November, the dividend-payers (404) in the S&P 500 (equal weight) posted a total return of 0.85%, vs. 3.25% for the non-payers (96), according to Standard & Poor's. Year-to-date, the payers were up 13.78%, vs. a gain of 15.23% for the non-payers. For the 12-month period ended November, payers were up 14.40%, vs. a gain of 12.57% for the non-payers. The number of dividend increases y-t-d totaled 309, up from 295 a year ago. Ten dividends were cut, up from five a year ago. Fourteen companies initiated a dividend, down from 19 a year ago.

Thursday, December 6, 2012

The Federal Deposit Insurance Corporation (FDIC) reported that U.S. banks posted net income of $37.6 billion in Q3'12, a 6.6% increase (y-o-y), according to Bloomberg. Industry profits hit a six-year high and 57% of banks posted higher earnings in the quarter. Overall lending rose by $64.8 billion, with $31.8 billion of the total linked to commercial and industrial loans and another $14.5 billion from residential loans. One area that was particularly weak in Q3'12 was trading revenue, which declined by 38.9%. To date, 50 banks have failed in the U.S., well below the 90 failures at this point last year. The FDIC's list of "problem banks" fell from 732 to 694, the smallest number since the peak of 888 following the financial crisis.

Friday, December 7, 2012

Bespoke Investment Group took a look at how Wall Street equity analyst's predictions have fared since the start of 2012. It broke down the S&P 500 into deciles (tenths) based on the number of buy versus sell ratings for each stock in the index at the start of the year. Bespoke found that the best performing group of 50 stocks is actually the bottom decile, or least liked stocks by analysts. The stocks in the bottom decile are up an average of 16.34% year-to-date, compared to a gain of 12.69% for the top decile. Only four of the 50 stocks in the bottom decile are down more than 10% in 2012.