

Stock Index Performance

Index	Week	YTD	12-mo.	2011	5-yr.
Dow Jones Industrial Avg. (12,801)	-0.38%	5.06%	7.53%	8.41%	3.13%
S&P 500 (1,343)	-0.12%	6.98%	3.73%	2.12%	0.79%
NASDAQ 100 (2,547)	0.73%	11.93%	8.80%	3.69%	8.13%
S&P 500 Growth	0.17%	6.44%	6.52%	4.70%	3.43%
S&P 500 Value	-0.47%	7.62%	1.01%	-0.48%	-1.88%
S&P MidCap 400 Growth	-0.37%	10.24%	3.06%	-0.95%	6.33%
S&P MidCap 400 Value	-1.01%	9.39%	0.77%	-2.40%	2.19%
S&P SmallCap 600 Growth	-2.15%	7.72%	7.25%	3.67%	4.82%
S&P SmallCap 600 Value	-2.37%	10.82%	5.87%	-1.34%	1.78%
MSCI EAFE	-0.29%	8.05%	-8.90%	-12.14%	-3.71%
MSCI World (ex US)	-0.51%	9.20%	-7.47%	-13.71%	-1.64%
MSCI World	-0.30%	7.49%	-2.98%	-5.54%	-1.36%
MSCI Emerging Markets	-0.58%	13.86%	-1.96%	-18.42%	4.79%

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 2/10/12.

S&P Sector Performance

Index	Week	YTD	12-mo.	2011	5-yr.
Consumer Discretionary	0.23%	8.51%	10.01%	6.24%	3.18%
Consumer Staples	0.27%	0.16%	14.07%	14.03%	7.39%
Energy	0.12%	4.46%	0.37%	4.72%	5.79%
Financials	-1.18%	12.10%	-12.01%	-17.07%	-15.09%
Health Care	-0.97%	3.35%	13.48%	12.77%	2.90%
Industrials	-0.77%	9.10%	0.16%	-0.59%	1.97%
Information Technology	1.33%	11.94%	6.65%	2.43%	6.04%
Materials	-2.16%	10.90%	-2.79%	-9.68%	2.87%
Telecom Services	-0.34%	-1.57%	4.69%	6.33%	0.59%
Utilities	0.04%	-3.15%	13.47%	20.02%	2.32%

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 2/10/12.

Bond Index Performance

Index	Week	YTD	12-mo.	2011	5-yr.
U.S. Treasury: Intermediate	-0.03%	0.14%	7.89%	6.57%	6.01%
GNMA 30 Year	0.20%	0.38%	9.93%	7.97%	6.96%
U.S. Aggregate	0.19%	0.63%	9.81%	7.84%	6.56%
U.S. Corporate High Yield	0.29%	3.87%	5.87%	4.98%	7.94%
U.S. Corporate Investment Grade	0.59%	2.28%	11.62%	8.15%	7.19%
Municipal Bond: Long Bond (22+)	0.02%	3.45%	22.31%	14.88%	4.87%
Global Aggregate	-0.18%	1.38%	8.28%	5.64%	6.93%

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 2/10/12.

Key Rates

As of 2/10/12

Fed Funds	0.00-0.25%	5-yr CD	1.34%
LIBOR (1-month)	0.26%	2-yr T-Note	0.27%
CPI - Headline	3.00%	5-yr T-Note	0.82%
CPI - Core	2.20%	10-yr T-Note	1.98%
Money Market Accts.	0.44%	30-yr T-Bond	3.13%
Money Market Funds	0.02%	30-yr Mortgage	3.89%
6-mo CD	0.41%	Prime Rate	3.25%
1-yr CD	0.64%	Bond Buyer 40	4.60%

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

Market Indicators

As of 2/10/12

TED Spread	41 bps
Investment Grade Spread (A2)	237 bps
ML High Yield Master II Index Spread	638 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 2/1/12			
	Current Week	Previous	
Domestic Equity	-\$1.801 Billion	\$851	Million
Foreign Equity	\$108 Million	\$323	Million
Taxable Bond	\$5.868 Billion	\$6.610	Billion
Municipal Bond	\$1.626 Billion	\$1.196	Billion
Change in Money Market Fund Assets for the Week Ended 2/8/12			
	Current Week	Previous	
Retail	-\$1.06 Billion	-\$4.51	Billion
Institutional	\$0.24 Billion	-\$16.77	Billion

Source: Investment Company Institute

Factoids for the week of February 6th – 10th

Monday, February 6, 2012

Canalys, a global consultant, estimates that total smartphone shipments reached 488.0 million units in 2011, up 62.8% from the 299.7 million shipped in 2010, according to *Fortune*. Smartphone shipments outpaced PC shipments. It estimates that PC shipments grew by 15% to 414.6 million units. Tablet shipments rose an estimated 274%.

Tuesday, February 7, 2012

Defined contribution plan assets invested in target-date funds rose 8.6% to \$74.9 billion for the 12-month period ended September 2011, according to *Pensions & Investments'* annual survey of the largest retirement plans. Plans appear to have shifted away from the more traditional balanced funds to target-date funds for their qualified default investment alternative (QDIA). Industry experts see inflows continuing as a result of the Pension Protection Act of 2006. In the *P & I* survey, plan executives were asked to identify their QDIA. Of the 48 who responded, 38 said they use target-date funds, eight use balanced funds, and two went with managed accounts. Toni Brown, director of U.S. client consulting and head of U.S. defined contribution for Mercer LLC., sees the market potentially moving in the direction of customized target-date funds with customized glidepaths based on company demographics.

Wednesday, February 8, 2012

The U.S. dollar has fallen 2.0% against a basket of major currencies (U.S. Dollar Index: DXY) in 2012 (thru 2/7). So far this year, the S&P 500 companies that garner more than 50% of their revenues from foreign sales are up an average of 11.88%, compared to 5.56%, on average, for those companies that generate all of their sales domestically, according to Bespoke Investment Group.

Thursday, February 9, 2012

Moody's reported that the global speculative-grade default rate stood at 2.0% in January, up from 1.8% in December, according to Barrons.com. The rate was 2.8% a year ago. Moody's is forecasting a default rate of 2.7% for January 2013, which is still well below the 5.0% historical average. Moody's believes the rate is at a cyclical bottom. The U.S. speculative-grade default rate stood at 2.2% in January, up from 1.8% in December. The rate was 3.0% a year ago. Moody's is forecasting a U.S. default rate of 2.8% for January 2013. The default rate on senior loans stood at a 49-month low of 0.61% in January, down slightly from 0.62% in December, according to Standard & Poor's LCD. The historical average by number is 3.3%.

Friday, February 10, 2012

The volume of global M&A deals withdrawn in 2011 fell 13% from 2010's total, according to iStockAnalyst.com. In 2011, \$445.0 billion worth of prospective deals fell through, down from \$511.7 billion in 2010. The 1,080 deals withdrawn was the lowest total since 872 deals were nixed in 2007. Overall, global M&A activity was solid in 2011. Total deal volume reached \$2.18 trillion, up 2.3% from the \$2.13 trillion registered in 2010, according to data from Mergermarket.