

Stock Index Performance

Index	Week	YTD	12-mo.	2011	5-yr.
Dow Jones Industrial Avg. (12,641)	-0.98%	4.83%	7.29%	8.41%	1.69%
S&P 500 (1,335)	-0.56%	7.26%	6.03%	2.12%	-0.18%
NASDAQ 100 (2,586)	0.56%	14.09%	16.90%	3.69%	6.92%
S&P 500 Growth	-0.49%	7.93%	9.14%	4.70%	2.71%
S&P 500 Value	-0.64%	6.45%	2.77%	-0.48%	-3.12%
S&P MidCap 400 Growth	-0.64%	5.09%	-3.02%	-0.95%	3.67%
S&P MidCap 400 Value	-0.22%	4.75%	-1.95%	-2.40%	0.34%
S&P SmallCap 600 Growth	0.34%	5.69%	2.05%	3.67%	2.94%
S&P SmallCap 600 Value	0.16%	3.72%	1.62%	-1.34%	-0.35%
MSCI EAFE	0.36%	-0.24%	-14.67%	-12.14%	-6.57%
MSCI World (ex US)	-0.04%	-0.14%	-15.00%	-13.71%	-5.09%
MSCI World	-0.21%	3.29%	-5.04%	-5.54%	-3.38%
MSCI Emerging Markets	-0.82%	1.64%	-15.52%	-18.42%	-0.61%

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 6/22/12.

S&P Sector Performance

Index	Week	YTD	12-mo.	2011	5-yr.
Consumer Discretionary	-0.24%	11.88%	13.93%	6.24%	3.79%
Consumer Staples	-1.35%	5.91%	12.41%	14.03%	7.90%
Energy	-3.33%	-6.83%	-9.86%	4.72%	-0.13%
Financials	-0.07%	11.25%	-2.50%	-17.07%	-15.03%
Health Care	0.82%	9.15%	9.22%	12.77%	3.56%
Industrials	-0.54%	4.54%	-0.86%	-0.59%	-0.72%
Information Technology	0.32%	12.37%	17.21%	2.43%	4.49%
Materials	-1.01%	3.47%	-5.98%	-9.68%	-0.79%
Telecom Services	-0.35%	14.97%	16.75%	6.33%	1.78%
Utilities	-1.80%	2.87%	14.79%	20.02%	2.91%

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 6/22/12.

Bond Index Performance

Index	Week	YTD	12-mo.	2011	5-yr.
U.S. Treasury: Intermediate	-0.24%	0.96%	4.70%	6.57%	6.00%
GNMA 30 Year	-0.05%	1.59%	5.88%	7.97%	7.21%
U.S. Aggregate	-0.12%	2.26%	6.75%	7.84%	6.87%
U.S. Corporate High Yield	1.00%	6.61%	7.14%	4.98%	8.22%
U.S. Corporate Investment Grade	0.08%	4.43%	8.53%	8.15%	7.74%
Municipal Bond: Long Bond (22+)	0.03%	6.44%	14.89%	14.88%	5.78%
Global Aggregate	-0.64%	0.82%	1.64%	5.64%	6.70%

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 6/22/12.

Key Rates

As of 6/22/12

Fed Funds	0.00-0.25%	5-yr CD	1.38%
LIBOR (1-month)	0.24%	2-yr T-Note	0.30%
CPI - Headline	1.70%	5-yr T-Note	0.75%
CPI - Core	2.30%	10-yr T-Note	1.67%
Money Market Accts.	0.48%	30-yr T-Bond	2.76%
Money Market Funds	0.03%	30-yr Mortgage	3.63%
6-mo CD	0.47%	Prime Rate	3.25%
1-yr CD	0.70%	Bond Buyer 40	4.39%

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

Market Indicators

As of 6/22/12

TED Spread	38 bps
Investment Grade Spread (A2)	246 bps
ML High Yield Master II Index Spread	652 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 6/13/12

	Current Week	Previous
Domestic Equity	-\$620 Million	-\$3.083 Billion
Foreign Equity	\$1.511 Billion	\$1.352 Billion
Taxable Bond	\$2.994 Billion	\$411 Million
Municipal Bond	\$604 Million	\$1.176 Billion

Change in Money Market Fund Assets for the Week Ended 6/20/12

	Current Week	Previous
Retail	\$0.85 Billion	-\$0.55 Billion
Institutional	-\$21.71 Billion	-\$10.13 Billion

Source: Investment Company Institute

Factoids for the week of June 18th – 22nd

Monday, June 18, 2012

A new report from the U.S. Department of Agriculture (USDA) estimates that the cost of raising a child born in 2011 to the age of 18 for a middle-income family could approach \$234,900, up 3.5% from 2010, according to Bloomberg. If you adjust that figure for anticipated inflation it jumps to \$295,560. The USDA noted that households that earn less will spend less, and vice versa. A family earning less than \$59,410 per year will likely spend closer to \$169,080 in 2011 dollars to rear a child, while parents earning more than \$102,870 could spend \$389,670.

Tuesday, June 19, 2012

Companies continue to be conservative with their cash despite the low prospects for organic growth, according to Robert W. Baird & Co. M&A activity in North America slowed in May, according to CFO.com. The number of deals announced (two days left in May) totaled 254 at a combined value of \$88.3 billion, down 40% (y-o-y) by number and 25% lower in terms of dollar volume. The most active sector by far is energy. Private equity interest in U.S. oil and natural gas assets is close to a 20-year high, according to PricewaterhouseCoopers.

Wednesday, June 20, 2012

There seems to be mounting evidence showing that corporate stock buyback programs can boost returns for shareholders, according to Mark Hulbert at MarketWatch.com. One of the first major academic studies ("Market Underreaction to Open Market Share Repurchases") published in 1995 found that, between 1980 and 1990, the average company with a buyback program outperformed the broader market over the four-year period following the repurchase announcement by 2.5 percentage points per year (annualized basis). More recently, an advisory service called The Buyback Letter, has seen its average model portfolio investing in companies that have announced buyback programs beat the market by 4.5 percentage points per year (annualized basis) since 1997.

Thursday, June 21, 2012

The ETF Industry Association reported that ETF assets rose by 2% in May to \$1.14 trillion, according to ETF Trends. There are currently 1,465 ETFs trading, up from 1,254 a year ago, according to David Francis at U.S. News & World Report. A recent study by Greenwich Associates revealed that 51% of institutional investors polled this year said they have held ETFs for a year or more, up from 36% in 2011, according to ETF Trends. The number of asset managers who held their ETFs for one year or more also increased from 18% in 2011 to 33% in 2012.

Friday, June 22, 2012

There were 70 "all or nothing trading days" in 2011, surpassing the previous high (since 1990) of 52 in 2008, according to Bespoke Investment Group. All or nothing days occur when the daily A/D reading in the S&P 500 exceeds plus or minus 400. While there were no all or nothing days through the first two months of 2012, the markets experienced 16 of them from February 29 through June 21. At the current pace, the number of all or nothing days would reach 34 by year-end. If so, that would be the fifth highest total since 1990. The average is 15.