

Stock Index Performance					
Index	Week	YTD	12-mo.	2011	5-yr.
Dow Jones Industrial Avg. (13,275)	0.66%	10.58%	19.54%	8.41%	3.15%
S&P 500 (1,418)	0.95%	14.37%	21.49%	2.12%	1.83%
NASDAQ 100 (2,780)	2.17%	23.00%	28.92%	3.69%	8.90%
S&P 500 Growth	1.19%	15.28%	22.23%	4.70%	4.66%
S&P 500 Value	0.67%	13.26%	20.65%	-0.48%	-1.07%
S&P MidCap 400 Growth	1.89%	12.67%	15.25%	-0.95%	6.37%
S&P MidCap 400 Value	1.50%	12.18%	19.14%	-2.40%	3.19%
S&P SmallCap 600 Growth	1.94%	12.13%	20.98%	3.67%	4.72%
S&P SmallCap 600 Value	2.35%	12.23%	23.21%	-1.34%	2.56%
MSCI EAFE	0.90%	7.80%	0.40%	-12.14%	-3.45%
MSCI World (ex US)	0.59%	7.68%	-0.66%	-13.71%	-1.95%
MSCI World	0.99%	10.85%	10.02%	-5.54%	-0.78%
MSCI Emerging Markets	-0.81%	8.16%	-2.66%	-18.42%	2.69%

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 8/17/12.

S&P Sector Performance					
Index	Week	YTD	12-mo.	2011	5-yr.
Consumer Discretionary	1.82%	17.45%	27.54%	6.24%	6.81%
Consumer Staples	0.73%	12.33%	22.30%	14.03%	9.15%
Energy	0.01%	5.53%	9.25%	4.72%	2.88%
Financials	1.26%	17.53%	18.67%	-17.07%	-13.15%
Health Care	-0.59%	12.37%	22.70%	12.77%	4.77%
Industrials	1.32%	11.77%	22.20%	-0.59%	1.03%
Information Technology	2.41%	21.36%	28.59%	2.43%	6.49%
Materials	0.43%	9.39%	8.11%	-9.68%	2.23%
Telecom Services	-0.67%	23.05%	31.26%	6.33%	3.69%
Utilities	-1.21%	5.25%	17.37%	20.02%	3.33%

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 8/17/12.

Bond Index Performance					
Index	Week	YTD	12-mo.	2011	5-yr.
U.S. Treasury: Intermediate	-0.38%	0.97%	1.96%	6.57%	5.41%
GNMA 30 Year	-0.51%	1.99%	3.16%	7.97%	6.86%
U.S. Aggregate	-0.63%	2.75%	4.26%	7.84%	6.58%
U.S. Corporate High Yield	-0.07%	9.86%	12.66%	4.98%	9.67%
U.S. Corporate Investment Grade	-0.96%	6.15%	7.57%	8.15%	7.89%
Municipal Bond: Long Bond (22+)	-0.36%	8.40%	13.46%	14.88%	6.71%
Global Aggregate	-0.81%	1.83%	-0.75%	5.64%	6.16%

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 8/17/12.

Key Rates			
As of 8/17/12			
Fed Funds	0.00-0.25%	5-yr CD	1.40%
LIBOR (1-month)	0.24%	2-yr T-Note	0.29%
CPI - Headline	1.40%	5-yr T-Note	0.80%
CPI - Core	2.10%	10-yr T-Note	1.82%
Money Market Accts.	0.48%	30-yr T-Bond	2.94%
Money Market Funds	0.03%	30-yr Mortgage	3.68%
6-mo CD	0.47%	Prime Rate	3.25%
1-yr CD	0.70%	Bond Buyer 40	4.26%

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

Market Indicators	
As of 8/17/12	
TED Spread	34 bps
Investment Grade Spread (A2)	211 bps
ML High Yield Master II Index Spread	589 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows				
Estimated Flows to Long-Term Mutual Funds for the Week Ended 8/8/12				
	Current Week		Previous	
Domestic Equity	-\$3.563	Billion	-\$5.678	Billion
Foreign Equity	-\$122	Million	-\$1.215	Billion
Taxable Bond	\$5.680	Billion	\$3.943	Billion
Municipal Bond	\$1.490	Billion	\$1.129	Billion

Change in Money Market Fund Assets for the Week Ended 8/15/12				
	Current Week		Previous	
Retail	-\$1.40	Billion	\$5.22	Billion
Institutional	\$13.17	Billion	\$5.72	Billion

Source: Investment Company Institute

Factoids for the week of August 13th – 17th

Monday, August 13, 2012

IDC estimates that the global market for social media tools will grow from \$767 million in 2011 to \$4.5 billion by 2016, according to *USA TODAY*. Companies are looking to squeeze more productivity from workers as well as enhance online relationship-building. Internet cloud services and mobile devices are key contributors. A recent ANA digital survey found that 80% of marketers have used online video, such as YouTube, in 2012. That is up from 64% in 2011. A survey from Forrester found that 87% of U.S. adults have used some form of social media in 2012.

Tuesday, August 14, 2012

The number of analyst buy ratings on S&P 500 stocks is nearly 10 times the number of sell ratings, according to Bespoke Investment Group. Currently, 52.9% carry a buy rating, while 5.8% carry a sell rating. The rest carry a hold or neutral rating. The five S&P 500 sectors with the highest percentage of buy ratings are as follows: Energy (66.3%); Health Care (57.6%); Technology (56.2%); Materials (55.7%); and Industrials (54.5%). The five sectors with the highest percentage of sell ratings are as follows: Financials (8.3%); Consumer Staples (7.7%); Materials (7.3%); Utilities (6.8%); and Telecom (5.9%).

Wednesday, August 15, 2012

Parents with children in grades K-12 will spend \$688.62, on average, getting them ready for the new school year, up from \$603.63 in 2011, according to the National Retail Federation's 2012 Back-to-School spending survey. Total spending is expected to reach \$30.3 billion. Combine college students with K-12 and spending jumps to \$83.8 billion. The back-to-school shopping season is the second biggest for retailers behind the winter holiday season.

Thursday, August 16, 2012

High yield corporate bond funds (junk bonds) are on pace to take in a record amount of money this year as investors seem willing to assume more credit risk in order to capture more income, according to *The New York Times*. Cash flows into high yield mutual funds and ETFs have totaled \$20 billion so far this year, with \$9 billion of it coming in the past nine weeks, according to Lipper. The U.S. speculative-grade default rate stood at 3.3% in July, but is expected to fall back to 2.9% by July 2013, well below its 4.8% average since 1983, according to Moody's. High yield corporate bonds have returned 10.2% year-to-date, according to JPMorgan's high yield index. With demand up, the amount of new issuance is also up. Companies have issued \$184 billion of new high yield debt, putting this year on a pace to challenge the \$264 billion (record-high) issued in 2010. Companies are exploiting this record-low low interest rate climate to refinance their balance sheets.

Friday, August 17, 2012

Technology companies, from an investment perspective, have been upgrading themselves over the past few years. The most noticeable change is the commitment to dividend distributions. Howard Silverblatt, senior index analyst for Standard & Poor's, reported that technology stocks now account for 14.22% of the dividends paid by the S&P 500, up from 5.95% in 2007, and closing in fast on the top sector (Consumer Staples) for dividends payouts, according to *USA TODAY*. Other positive characteristics of technology stocks include the following: leading sector in stock buybacks (S&P 500) by a wide margin, huge cash holdings (Apple holds more cash than the market capitalizations of 391 constituents in the S&P 500), and the S&P 500 Information Technology Index has the highest sector earnings growth estimate for 2012 at 14.12% (S&P 500's is 5.62%) and the second-highest for 2013 at 16.67% (S&P 500's is 13.17%), according to data from S&P. Historically speaking, technology stocks are not expensive on a price-to-earnings (P/E) basis. The forward-looking estimated P/E for the S&P 500 Information Technology Index is 13.25, well below its 10-year average of 23.53.