

Stock Index Performance

Index	Week	YTD	12-mo.	2011	5-yr.
Dow Jones Industrial Avg. (13,096)	0.18%	8.82%	13.16%	8.41%	2.69%
S&P 500 (1,391)	0.40%	11.99%	12.85%	2.12%	1.61%
NASDAQ 100 (2,676)	1.14%	18.19%	16.96%	3.69%	7.71%
S&P 500 Growth	0.35%	12.90%	13.91%	4.70%	4.31%
S&P 500 Value	0.47%	10.89%	11.66%	-0.48%	-1.18%
S&P MidCap 400 Growth	-0.60%	8.58%	3.18%	-0.95%	5.45%
S&P MidCap 400 Value	-0.28%	8.49%	7.39%	-2.40%	2.56%
S&P SmallCap 600 Growth	-0.68%	8.28%	7.77%	3.67%	4.56%
S&P SmallCap 600 Value	-0.24%	7.67%	8.22%	-1.34%	2.36%
MSCI EAFE	1.53%	4.81%	-6.89%	-12.14%	-5.19%
MSCI World (ex US)	1.30%	4.72%	-8.25%	-13.71%	-3.87%
MSCI World	0.79%	8.07%	2.08%	-5.54%	-1.83%
MSCI Emerging Markets	1.22%	6.03%	-11.16%	-18.42%	-0.13%

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 8/3/12.

S&P Sector Performance

Index	Week	YTD	12-mo.	2011	5-yr.
Consumer Discretionary	0.12%	14.49%	18.08%	6.24%	5.89%
Consumer Staples	0.45%	11.94%	21.31%	14.03%	9.40%
Energy	0.29%	2.90%	-0.66%	4.72%	2.75%
Financials	0.49%	15.30%	5.04%	-17.07%	-12.34%
Health Care	-0.85%	12.47%	20.27%	12.77%	4.92%
Industrials	0.32%	8.83%	11.20%	-0.59%	0.07%
Information Technology	1.57%	15.89%	15.79%	2.43%	5.23%
Materials	-0.03%	5.89%	-1.84%	-9.68%	0.84%
Telecom Services	0.59%	23.12%	29.62%	6.33%	3.20%
Utilities	-0.54%	7.35%	20.77%	20.02%	4.29%

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 8/3/12.

Bond Index Performance

Index	Week	YTD	12-mo.	2011	5-yr.
U.S. Treasury: Intermediate	-0.02%	1.44%	3.77%	6.57%	5.66%
GNMA 30 Year	0.08%	2.56%	5.13%	7.97%	7.03%
U.S. Aggregate	0.06%	3.49%	6.11%	7.84%	6.76%
U.S. Corporate High Yield	0.80%	9.67%	9.06%	4.98%	9.62%
U.S. Corporate Investment Grade	0.22%	7.18%	8.30%	8.15%	8.00%
Municipal Bond: Long Bond (22+)	-0.06%	8.92%	14.63%	14.88%	6.06%
Global Aggregate	0.15%	2.49%	1.28%	5.64%	6.34%

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 8/3/12.

Key Rates

As of 8/3/12

Fed Funds	0.00-0.25%	5-yr CD	1.40%
LIBOR (1-month)	0.25%	2-yr T-Note	0.24%
CPI - Headline	1.70%	5-yr T-Note	0.66%
CPI - Core	2.20%	10-yr T-Note	1.56%
Money Market Accts.	0.49%	30-yr T-Bond	2.64%
Money Market Funds	0.03%	30-yr Mortgage	3.61%
6-mo CD	0.48%	Prime Rate	3.25%
1-yr CD	0.71%	Bond Buyer 40	4.24%

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

Market Indicators

As of 8/3/12

TED Spread	35 bps
Investment Grade Spread (A2)	217 bps
ML High Yield Master II Index Spread	601 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 7/25/12

	Current Week	Previous
Domestic Equity	-\$2.129 Billion	\$99 Million
Foreign Equity	-\$568 Million	\$542 Million
Taxable Bond	\$4.293 Billion	\$5.114 Billion
Municipal Bond	\$1.472 Billion	\$1.346 Billion

Change in Money Market Fund Assets for the Week Ended 8/1/12

	Current Week	Previous
Retail	-\$0.58 Billion	-\$2.22 Billion
Institutional	-\$3.37 Billion	\$18.38 Billion

Source: Investment Company Institute

Factoids for the week of July 30th – August 3rd

Monday, July 30, 2012

The Barclays Capital "Original E&P Spending Survey" (conducted semiannually) estimates that worldwide E&P expenditures will increase by 10.5% in 2012, according to Barclays Capital. Spending is expected to rise from \$556.1 billion in 2011 to \$614.4 billion in 2012. If so, it would mark the third consecutive year for double-digit spending increases. Here is the global breakdown of the 2012 estimates compared to the actual expenditures in 2011: U.S. (\$115.8 billion in '11 vs. \$125.7 billion in '12); Canada (\$38.0 billion in '11 vs. \$37.9 billion in '12); and International (\$402.3 billion in '11 vs. \$450.8 billion in '12). Domestic E&P companies are basing their 2012 budgets on an average price estimate of \$95 per barrel for WTI crude oil and \$100 for Brent.

Tuesday, July 31, 2012

The national median rent for homes and apartments is \$716 per month, according to MSN Money. The last time the rental market was this tight was around a decade ago. In 1995, the median rent was closer to \$450 per month. In 2011, rental prices rose 11% in Minneapolis, while home prices fell 8%, according to Trulia's Rent vs. Buy Index. The Census Bureau reported a week ago that nearly 11% of U.S. homes (excludes vacation homes and time shares) were vacant. Last week, a 30-year, fixed-rate mortgage loan averaged 3.49%, with 0.7 points. While the current climate favors buying a home over renting, the banks continue to have strict lending standards. It takes a credit score of around 762, on average, to secure a mortgage these days. The problem is that 65% of Americans have credit scores below 750.

Wednesday, August 1, 2012

Data from Preqin shows that private equity firms were sitting on a little more than \$1 trillion ("dry powder") at the close of 2011, according to CNNMoney.com. That is a lot of capital sitting on the sidelines waiting for deals to come along. The total unrealized value of their assets under management was a little over \$2 trillion. It is estimated that around \$329 billion of the dry powder is earmarked for leveraged buyout funds. M&A activity is down about 16% from this point last year, so deals have been harder to find. The silver lining is that the average premium paid on acquisitions of publicly traded companies has been 25% year-to-date, up from 23% in the first seven months last year and the highest average since 2001, according to Dealogic.

Thursday, August 2, 2012

In July, the dividend-payers (401) in the S&P 500 (equal weight) posted a total return of 0.59%, vs. -0.91% for the non-payers (99), according to Standard & Poor's. Year-to-date through July, the payers were up 7.79%, vs. a gain of 6.90% for the non-payers. For the 12-month period ended July, payers were up 5.07%, vs. a loss of 4.06% for the non-payers. The number of dividend increases y-t-d totaled 221, up from 209 a year ago. Five dividends were cut, up from two a year ago. Eleven companies initiated a dividend, down from 16 a year ago.

Friday, August 3, 2012

M&A activity in the biotechnology sector continues to surge. Global merger volume has now topped \$25 billion in 2012, up from around \$10 billion at this point last year, according to Thomson Reuters. Activity hasn't been this robust since 2008. Three deals this year fetched the highest premiums ever paid for multibillion-dollar biotech merger transactions. The three premiums paid (relative to price before interest in company was reported) were 99%, 101% and 163%.