

Stock Index Performance

Index	Week	YTD	12-mo.	2012	5-yr.
Dow Jones Industrial Avg. (15,011)	-0.40%	16.53%	18.06%	10.24%	8.25%
S&P 500 (1,663)	0.49%	18.27%	21.32%	16.00%	7.54%
NASDAQ 100 (3,124)	1.65%	18.56%	15.05%	18.35%	11.27%
S&P 500 Growth	0.80%	17.04%	17.58%	14.71%	8.46%
S&P 500 Value	0.18%	19.59%	25.78%	17.77%	6.61%
S&P MidCap 400 Growth	1.08%	18.82%	24.78%	17.62%	10.34%
S&P MidCap 400 Value	0.89%	21.96%	30.88%	19.10%	9.68%
S&P SmallCap 600 Growth	1.67%	25.10%	29.78%	15.27%	10.54%
S&P SmallCap 600 Value	1.21%	23.71%	32.67%	18.88%	9.58%
MSCI EAFE	-0.54%	11.75%	20.78%	17.32%	2.67%
MSCI World (ex US)	-1.04%	5.49%	13.89%	16.83%	2.28%
MSCI World	0.03%	14.38%	19.93%	15.83%	4.73%
MSCI Emerging Markets	-2.61%	-9.90%	-1.87%	18.22%	1.96%

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 8/23/13.

S&P Sector Performance

Index	Week	YTD	12-mo.	2012	5-yr.
Consumer Discretionary	0.76%	24.34%	32.53%	24.14%	15.86%
Consumer Staples	-0.19%	16.52%	16.91%	11.08%	10.22%
Energy	0.47%	13.61%	14.11%	4.64%	3.43%
Financials	0.13%	23.36%	36.02%	28.92%	1.37%
Health Care	0.81%	25.92%	32.36%	17.89%	10.73%
Industrials	0.33%	20.13%	26.11%	15.42%	7.11%
Information Technology	0.88%	12.74%	7.77%	14.82%	8.23%
Materials	1.05%	10.68%	17.29%	15.24%	3.54%
Telecom Services	0.29%	7.24%	5.82%	18.31%	8.71%
Utilities	0.31%	9.96%	7.79%	1.31%	4.37%

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 8/23/13.

Bond Index Performance

Index	Week	YTD	12-mo.	2012	5-yr.
U.S. Treasury: Intermediate	-0.14%	-1.81%	-1.49%	1.71%	3.49%
GNMA 30 Year	0.28%	-3.62%	-3.64%	2.44%	4.79%
U.S. Aggregate	0.04%	-3.24%	-2.49%	4.21%	4.94%
U.S. Corporate High Yield	-0.35%	2.41%	7.52%	15.81%	11.46%
U.S. Corporate Investment Grade	0.15%	-3.96%	-1.64%	9.82%	7.25%
Municipal Bond: Long Bond (22+)	-0.86%	-8.89%	-6.90%	11.26%	4.84%
Global Aggregate	-0.23%	-4.01%	-3.02%	4.32%	4.22%

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 8/23/13.

Key Rates

As of 8/23/13

Fed Funds	0.00-0.25%	5-yr CD	1.25%
LIBOR (1-month)	0.18%	2-yr T-Note	0.38%
CPI - Headline	2.00%	5-yr T-Note	1.62%
CPI - Core	1.70%	10-yr T-Note	2.81%
Money Market Accts.	0.44%	30-yr T-Bond	3.79%
Money Market Funds	0.01%	30-yr Mortgage	4.55%
6-mo CD	0.39%	Prime Rate	3.25%
1-yr CD	0.62%	Bond Buyer 40	5.29%

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

Market Indicators

As of 8/23/13

TED Spread	23 bps
Investment Grade Spread (A2)	182 bps
ML High Yield Master II Index Spread	475 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 8/14/13

	Current Week	Previous
Domestic Equity	-\$764 Million	\$355 Million
Foreign Equity	\$2.259 Billion	\$3.053 Billion
Taxable Bond	-\$1.836 Billion	\$33 Million
Municipal Bond	-\$2.086 Billion	-\$2.126 Billion

Change in Money Market Fund Assets for the Week Ended 8/21/13

	Current Week	Previous
Retail	\$7.31 Billion	-\$0.58 Billion
Institutional	\$8.18 Billion	\$2.89 Billion

Source: Investment Company Institute.

Factoids for the week of August 19-23, 2013

Monday, August 19, 2013

As the Q2'13 earnings season comes to a close, it appears that the final earnings beat rate (% of companies reporting better than expected earnings) will stand at 62.2%, the highest reading since Q3'11, according to Bespoke Investment Group. With respect to revenue growth, the final beat rate is expected to be 56.6%, which is higher than three out of the past four quarters. Despite the strong showing in the S&P 500 year-to-date (+17.7% thru 8/16), investors funneled more capital into foreign stock mutual funds than domestic in the first five months of 2013. U.S. Equity and Sector funds combined reported net inflows totaling \$43.3 billion, roughly half the \$86.9 billion in net inflows for International Equity funds, according to Morningstar.

Tuesday, August 20, 2013

A monthly survey by Biz2Credit that tracks small business lending by banks, credit unions and alternative lenders, found that 17.4% of loan requests received by big banks (>\$10 billion in assets) in July were approved, the highest percentage since before the last recession (12/07-6/09) and 50% higher on a year-over-year basis, according to FOXBusiness. Small business loan approvals at credit unions rose 45.1% in July (m-o-m). Approvals had been down for 13 consecutive months heading into July. Small banks and alternative lenders, which help riskier companies and charge higher interest rates, approved 49.4% and 63.2% of their funding requests, respectively.

Wednesday, August 21, 2013

While investors have been liquidating shares of ETFs comprised of emerging market equities at the fastest pace on record in 2013, retail investors have continued to funnel capital into open-end emerging market stock mutual funds. Emerging market ETFs, often utilized by institutional investors, have reported net outflows totaling \$8.4 billion year-to-date, compared to net inflows totaling \$95 billion for ETFs comprised of U.S. equities, according to Bloomberg Businessweek. Morningstar data, however, shows that retail investors poured a net \$27.5 billion into open-end Diversified Emerging Markets stock mutual funds in the first seven months of 2013. Valuations in emerging markets are getting relatively cheap. The forward-looking 12-month price-to-earnings ratio on the MSCI Emerging Markets Index is 10.58, compared to 14.93 for the S&P 500, according to Bloomberg. Economists surveyed by Bloomberg see the U.S. economy growing by 3.0% in 2015, almost double this year's pace, while the combined growth rate of the BRICs (Brazil, Russia, India and China), for example, is expected to be 5.9%.

Thursday, August 22, 2013

Real estate data firm Trulia analyzed rent prices in the 25 largest rental markets in the U.S. and found that, on average, prices were up 3.9% (y-o-y) in June, according to MSN.com. That was more than double the rate of inflation in the U.S., which stood at 1.8% in June, as measured by the Consumer Price Index. The five least-affordable rental markets are New York City, Miami, Los Angeles, San Francisco and Boston. In these cities, rents can consume half or more of a renter's average monthly wage. Demand for apartments is so strong that a recent survey by RealFacts found that not only were rents up in 39 of the 41 markets it analyzed, but rents were up in those cities where rental units were being built at a "precipitous pace." Freddie Mac reported that, nationwide, buying is 41% cheaper, on average, than renting.

Friday, August 23, 2013

S&P 500 companies increased their dividend payments approximately 14% in the first half of 2013, compared to the same period a year ago, and 79% of companies in the index currently pay dividends, the highest level in nearly 14 years, according to Kiplinger. The sectors that contribute the most to the S&P 500 dividend payout are as follows (8/21/13 vs. 12/31/11): Information Technology (15.45% vs. 10.29%); Financials (13.89% vs. 11.88%); Consumer Staples (13.37% vs. 15.63%); Energy (11.45% vs. 10.82%); Health Care (11.31% vs. 12.79%); and Industrials (10.65% vs. 12.15%), according to S&P Dow Jones Indices.