

Stock Index Performance					
Index	Week	YTD	12-mo.	2013	5-yr.
Dow Jones Industrial Avg. (15,794)	0.69%	-4.53%	16.07%	29.65%	16.90%
S&P 500 (1,797)	0.90%	-2.59%	21.60%	32.38%	18.15%
NASDAQ 100 (3,562)	1.25%	-0.69%	31.58%	36.94%	24.14%
S&P 500 Growth	1.29%	-1.69%	24.52%	32.75%	18.57%
S&P 500 Value	0.46%	-3.56%	18.54%	31.97%	17.78%
S&P MidCap 400 Growth	-0.06%	-2.62%	19.88%	32.68%	22.36%
S&P MidCap 400 Value	-0.61%	-2.26%	20.88%	34.25%	20.73%
S&P SmallCap 600 Growth	-1.07%	-5.14%	26.23%	42.68%	22.90%
S&P SmallCap 600 Value	-1.33%	-4.89%	24.90%	39.98%	21.14%
MSCI EAFE	0.76%	-3.30%	14.55%	22.78%	13.47%
MSCI World (ex US)	0.71%	-3.87%	7.81%	15.29%	13.34%
MSCI World	0.87%	-2.87%	17.35%	26.68%	15.57%
MSCI Emerging Markets	0.11%	-6.39%	-9.28%	-2.60%	13.61%

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 2/7/14.

S&P Sector Performance					
Index	Week	YTD	12-mo.	2013	5-yr.
Consumer Discretionary	1.95%	-4.08%	29.35%	43.08%	28.21%
Consumer Staples	0.36%	-4.79%	11.58%	26.14%	16.04%
Energy	0.64%	-5.69%	9.17%	25.05%	11.56%
Financials	1.14%	-2.51%	23.46%	35.59%	18.79%
Health Care	0.67%	1.61%	33.14%	41.46%	17.89%
Industrials	0.83%	-3.69%	26.94%	40.64%	21.60%
Information Technology	1.14%	-1.40%	23.77%	28.43%	20.02%
Materials	1.50%	-3.14%	16.75%	25.60%	18.05%
Telecom Services	-2.45%	-5.52%	0.55%	11.47%	12.55%
Utilities	-0.57%	2.41%	10.30%	13.21%	10.00%

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 2/7/14.

Bond Index Performance					
Index	Week	YTD	12-mo.	2013	5-yr.
U.S. Treasury: Intermediate	0.12%	0.98%	-0.12%	-1.34%	2.68%
GNMA 30 Year	0.16%	1.99%	0.31%	-2.17%	4.42%
U.S. Aggregate	0.13%	1.61%	0.12%	-2.02%	5.02%
U.S. Corporate High Yield	0.24%	0.94%	7.34%	7.44%	17.55%
U.S. Corporate Investment Grade	0.11%	1.93%	1.07%	-1.53%	9.05%
Municipal Bond: Long Bond (22+)	0.22%	3.31%	-3.83%	-6.01%	7.59%
Global Aggregate	0.41%	1.47%	0.53%	-2.60%	4.96%

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 2/7/14.

Key Rates			
As of 2/7/14			
Fed Funds	0.00-0.25%	5-yr CD	1.31%
LIBOR (1-month)	0.16%	2-yr T-Note	0.31%
CPI - Headline	1.50%	5-yr T-Note	1.48%
CPI - Core	1.70%	10-yr T-Note	2.69%
Money Market Accts.	0.46%	30-yr T-Bond	3.68%
Money Market Funds	0.01%	30-yr Mortgage	4.24%
6-mo CD	0.40%	Prime Rate	3.25%
1-yr CD	0.67%	Bond Buyer 40	4.89%

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

Market Indicators	
As of 2/7/14	
TED Spread	14 bps
Investment Grade Spread (A2)	158 bps
ML High Yield Master II Index Spread	420 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows				
Estimated Flows to Long-Term Mutual Funds for the Week Ended 1/29/14				
	Current Week		Previous	
Domestic Equity	\$1.879	Billion	\$2.450	Billion
Foreign Equity	\$3.598	Billion	\$3.960	Billion
Taxable Bond	-\$1.416	Billion	-\$375	Million
Municipal Bond	\$520	Million	\$128	Million

  

Change in Money Market Fund Assets for the Week Ended 2/5/14				
	Current Week		Previous	
Retail	\$4.93	Billion	-\$4.72	Billion
Institutional	-\$5.98	Billion	\$2.90	Billion

Source: Investment Company Institute.

Factoids for the week of February 3 - 7, 2014

**Monday, February 3, 2014**

A survey by Aon Hewitt on compensation trends for 2014 revealed that companies intend to raise salaries by 3.0% this year, according to USA TODAY. That is the highest percentage since 2008, when the average raise was 3.7%. Inflation stood at just 1.5% in December 2013, as measured by the Consumer Price Index. Economist Ed Yardeni notes that employee compensation and capital spending as percentage of GDP hasn't been this low since the mid-1950s. The non-financial companies in the S&P 500 are holding approximately \$1.25 trillion in cash and equivalents, according to S&P Capital IQ. A total of 216 of these non-financial constituents are sitting on \$1.0 billion or more. All of the non-financial companies combined employ 20,254,000 people, according to Howard Silverblatt, S&P Dow Jones Indices Senior Index Analyst. He noted that splitting the cash holdings among them would give each employee around \$61,000.

**Tuesday, February 4, 2014**

The U.S. office market posted healthy gains in 2013, according to CoStar. Net absorption of office space rose 22% to 59 million square feet. Office property sales totaled \$106.2 billion. The national vacancy rate fell from 12.4% to 11.9%. Due to a relatively small bump in new construction, landlords were able to boost rents by an average of 3.1% in 2013 - the first time rent growth has exceeded 3.0% since 2007. Only 40 million square feet of new space was added last year, but most of that was offset by the loss of existing space as older structures were demolished or converted. CoStar estimates that the office vacancy rate will fall to 10.9% by the end of 2015.

**Wednesday, February 5, 2014**

In January, the dividend-payers (420) in the S&P 500 (equal weight) posted a total return of -3.52%, vs. 0.40% for the non-payers (80), according to Standard & Poor's. For the 12-month period ended January 2014, payers were up 27.91%, vs. a gain of 36.05% for the non-payers. The number of dividend increases in January totaled 41, up from 30 at this point a year ago. One dividend was cut, compared to three at this point a year ago. Lipper data shows that investors funneled more than \$79 billion into dividend-paying stock mutual funds and ETFs over a three-year period through 2013, according to The Wall Street Journal.

**Thursday, February 6, 2014**

The Dow Jones Industrial Average (DJIA) declined 326 points from 15698.8 to 15372.8 on 2/3/14. While unnerving to some investors, such dramatic fluctuations are not uncommon. From May 2010 through January 2014, the DJIA dropped by 300 points or more in a single day a total of 13 times, according to Bespoke Investment Group. From 4/31/10 through 1/31/14, the DJIA posted a cumulative total return of 57.43%, or 12.83% annualized. Since the close of 2003, there have been 45 trading days (excluding 2/3/14) where the DJIA fell by 300 points or more in a single day, according to Bespoke. From 12/31/03 through 1/31/14, the DJIA posted a cumulative total return of 94.27%, or 6.80% annualized. Since the start of 1987, the number of days is 60 (excluding 2/3/14). From 12/31/86 through 1/31/14, the DJIA posted a cumulative total return of 1,567.21%, or 10.94% annualized.

**Friday, February 7, 2014**

The U.S. Drought Monitor reports that drought conditions cover more than 37% of the 48 contiguous states, according to MarketWatch.com. MDA Weather Services claims that approximately 67% of California is currently experiencing extreme or exceptional drought conditions. Governor Brown of California recently called on residents to voluntarily cut their water consumption by 20%. The drought conditions are hurting both cattle and crops across the U.S. As of the start of 2014, the number of cattle and calves in the U.S. totaled 87.7 million, the lowest total at the start of a new year since 1951, according to the U.S. Department of Agriculture. A lack of water, grass and hay is pushing up the cost of raising cattle. There is even concern about the upcoming seasons for wheat, corn and soybeans due to moderate drought conditions in such Midwestern states as Iowa and Minnesota.