

Stock Index Performance

Index	Week	YTD	12-mo.	2013	5-yr.
Dow Jones Industrial Avg. (16,453)	0.84%	-0.24%	17.68%	29.65%	23.20%
S&P 500 (1,878)	1.05%	2.02%	24.20%	32.38%	25.01%
NASDAQ 100 (3,703)	0.21%	3.38%	34.21%	36.94%	29.74%
S&P 500 Growth	0.82%	2.99%	27.18%	32.75%	24.69%
S&P 500 Value	1.30%	0.98%	21.09%	31.97%	25.53%
S&P MidCap 400 Growth	0.99%	3.63%	25.72%	32.68%	29.77%
S&P MidCap 400 Value	1.03%	3.77%	25.50%	34.25%	29.46%
S&P SmallCap 600 Growth	2.52%	2.51%	33.17%	42.68%	31.81%
S&P SmallCap 600 Value	1.70%	2.56%	31.23%	39.98%	30.70%
MSCI EAFE	-0.35%	0.96%	17.71%	22.78%	19.25%
MSCI World (ex US)	-0.20%	0.06%	11.19%	15.29%	18.71%
MSCI World	0.40%	1.52%	20.41%	26.68%	21.82%
MSCI Emerging Markets	0.06%	-3.34%	-6.30%	-2.60%	17.39%

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 3/7/14.

S&P Sector Performance

Index	Week	YTD	12-mo.	2013	5-yr.
Consumer Discretionary	0.93%	0.89%	31.49%	43.08%	35.29%
Consumer Staples	0.79%	-0.97%	12.96%	26.14%	20.05%
Energy	0.34%	-1.22%	13.57%	25.05%	18.13%
Financials	3.06%	2.45%	25.18%	35.59%	31.86%
Health Care	0.12%	7.29%	36.25%	41.46%	24.47%
Industrials	1.86%	1.11%	29.84%	40.64%	30.80%
Information Technology	0.48%	2.49%	26.37%	28.43%	25.47%
Materials	1.50%	3.56%	24.61%	25.60%	24.92%
Telecom Services	0.51%	-3.66%	-0.22%	11.47%	16.07%
Utilities	-1.14%	5.28%	9.78%	13.21%	16.32%

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 3/7/14.

Bond Index Performance

Index	Week	YTD	12-mo.	2013	5-yr.
U.S. Treasury: Intermediate	-0.38%	0.67%	-0.44%	-1.34%	2.51%
GNMA 30 Year	-0.54%	1.64%	0.08%	-2.17%	4.14%
U.S. Aggregate	-0.57%	1.43%	-0.06%	-2.02%	4.93%
U.S. Corporate High Yield	-0.21%	2.53%	7.70%	7.44%	19.67%
U.S. Corporate Investment Grade	-0.84%	2.00%	1.09%	-1.53%	9.52%
Municipal Bond: Long Bond (22+)	-0.52%	4.38%	-2.57%	-6.01%	7.87%
Global Aggregate	-0.36%	2.11%	1.96%	-2.60%	5.45%

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 3/7/14.

Key Rates

As of 3/7/14

Fed Funds	0.00-0.25%	5-yr CD	1.32%
LIBOR (1-month)	0.16%	2-yr T-Note	0.37%
CPI - Headline	1.60%	5-yr T-Note	1.64%
CPI - Core	1.60%	10-yr T-Note	2.79%
Money Market Accts.	0.46%	30-yr T-Bond	3.72%
Money Market Funds	0.01%	30-yr Mortgage	4.37%
6-mo CD	0.39%	Prime Rate	3.25%
1-yr CD	0.67%	Bond Buyer 40	4.80%

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

Market Indicators

As of 3/7/14

TED Spread	18 bps
Investment Grade Spread (A2)	147 bps
ML High Yield Master II Index Spread	380 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 2/26/14

	Current Week	Previous
Domestic Equity	\$3.113 Billion	\$4.145 Billion
Foreign Equity	\$1.851 Billion	\$1.735 Billion
Taxable Bond	\$1.660 Billion	\$2.467 Billion
Municipal Bond	\$667 Million	\$422 Million

Change in Money Market Fund Assets for the Week Ended 3/5/14

	Current Week	Previous
Retail	\$0.17 Billion	-\$4.16 Billion
Institutional	-\$4.25 Billion	\$24.11 Billion

Source: Investment Company Institute.

Factoids for the week of March 3 - 7, 2014

Monday, March 3, 2014

In February, the dividend-payers (420) in the S&P 500 (equal weight) posted a total return of 4.95%, vs. 7.56% for the non-payers (80), according to Standard & Poor's. Year-to-date, the payers were up 1.26%, vs. a gain of 7.99% for the non-payers. For the 12-month period ended February 2014, payers were up 32.31%, vs. a gain of 45.83% for the non-payers. The number of dividend increases year-to-date totaled 66, down from 77 at this point a year ago. Two dividends were cut, compared to three at this point a year ago. In January, net cash flows to Equity Income mutual funds and Equity Income ETFs totaled an estimated -\$1.0 billion and +\$25.0 million, respectively, according to data from Lipper.

Tuesday, March 4, 2014

The recovery in U.S. residential property values is once again allowing some homeowners to tap into their equity via home equity lines of credit (HELOCs), according to the *Los Angeles Times*. From Q3'12 to Q3'13, Americans' real estate equity expanded by \$2.2 trillion, according to the Federal Reserve. Equifax reported that HELOC originations increased 12% in 2012 and 31% through the first nine months of 2013, according to the *New York Daily News*. In Q4'13, borrowings surged 42%, according to the *Los Angeles Times*. Total lending reached \$111 billion in 2013. The average line of credit for new borrowers possessing the highest credit scores (781-850) was \$120,000. Banks are reportedly employing stricter lending standards than were used leading up to the financial crisis in 2008. Credit limits are generally held to 80% of the home value and many banks are requiring full appraisals or property condition reports by licensed appraisers.

Wednesday, March 5, 2014

Purchasing Manager's Index (PMI) data from Markit showed that seasonally adjusted PMI in the euro zone stood at 53.2 in February, topping an earlier estimate of 53.0, according to the *International Business Times*. It marked the eighth consecutive month in which the index reading surpassed 50. A reading above 50 indicates that manufacturing activity is expanding. February was the first month in nearly three years where output rose in all four of the largest euro nations, according to Chris Williamson, Markit's chief economist. Output in France rose for the first time in seven months. Year-to-date through 3/4, the MSCI Europe Index posted a total return of 2.34% (USD), compared to 1.75% for the S&P 500. While the S&P 500 continues to set new all-time highs, the MSCI Europe Index stood 17.6% below its 10-year high (6/1/07) at the close of 3/4/14.

Thursday, March 6, 2014

A recent consumer survey by AlixPartners, a consulting firm, found that diners expect to spend 9.1% less per restaurant meal in 2014, the biggest annual cut in the survey's history, according to *USA TODAY*. Only one in 10 polled expect to spend more than they did in 2013. Last year's survey suggested diners were planning on cutting spending by 5.0% in 2013. Some restaurants in the casual dining space have recently offered forecasts signaling declines in future quarterly same-store sales ranging from 5.0% to 8.8%. Restaurant stocks have performed better than the broader market over the past three years. From 3/5/11-3/5/14, the Russell 3000 Restaurants Index posted a cumulative total return of 65.91%, compared to 52.29% for the Russell 3000 Index.

Friday, March 7, 2014

The Federal Reserve reported that U.S. household net worth reached an all-time high of \$80.66 trillion at the close of 2013, according to Reuters. Net worth rose 14% in the full year, fueled by a \$5.6 trillion rise in the value of stock shares and a \$2.3 trillion increase in the value of real estate. U.S. businesses held \$1.98 trillion in liquid assets in Q4'13, up from \$1.91 trillion in Q3'13.