

Stock Index Performance

Index	Week	YTD	12-mo.	2013	5-yr.
Dow Jones Industrial Avg. (16,491)	-0.45%	0.42%	10.86%	29.65%	17.86%
S&P 500 (1,878)	0.03%	2.40%	16.17%	32.38%	18.76%
NASDAQ 100 (3,587)	0.97%	0.43%	21.32%	36.94%	22.90%
S&P 500 Growth	0.23%	1.86%	16.82%	32.75%	19.13%
S&P 500 Value	-0.18%	2.99%	15.49%	31.97%	18.41%
S&P MidCap 400 Growth	0.05%	-1.08%	11.24%	32.68%	21.54%
S&P MidCap 400 Value	-0.16%	3.69%	17.61%	34.25%	21.73%
S&P SmallCap 600 Growth	-0.60%	-5.71%	15.41%	42.68%	22.03%
S&P SmallCap 600 Value	-0.45%	-1.58%	18.03%	39.98%	21.54%
MSCI EAFE	0.31%	2.39%	12.03%	22.78%	12.41%
MSCI World (ex US)	0.75%	2.80%	9.50%	15.29%	11.81%
MSCI World	0.14%	2.31%	13.91%	26.68%	15.24%
MSCI Emerging Markets	2.52%	3.67%	0.97%	-2.60%	10.39%

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 5/16/14.

S&P Sector Performance

Index	Week	YTD	12-mo.	2013	5-yr.
Consumer Discretionary	-0.16%	-4.28%	13.52%	43.08%	25.55%
Consumer Staples	-0.55%	3.60%	8.28%	26.14%	17.92%
Energy	-0.48%	5.53%	17.45%	25.05%	15.34%
Financials	-0.82%	-0.02%	12.44%	35.59%	15.44%
Health Care	0.58%	5.25%	21.12%	41.46%	20.58%
Industrials	0.15%	1.76%	24.14%	40.64%	21.86%
Information Technology	0.89%	2.67%	19.99%	28.43%	19.42%
Materials	0.33%	4.25%	20.36%	25.60%	16.87%
Telecom Services	1.16%	6.27%	1.47%	11.47%	15.31%
Utilities	-0.29%	11.95%	9.82%	13.21%	15.02%

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 5/16/14.

Bond Index Performance

Index	Week	YTD	12-mo.	2013	5-yr.
U.S. Treasury: Intermediate	0.27%	1.50%	-0.16%	-1.34%	2.65%
GNMA 30 Year	0.24%	3.36%	1.29%	-2.17%	4.06%
U.S. Aggregate	0.45%	3.48%	1.03%	-2.02%	4.85%
U.S. Corporate High Yield	0.21%	4.20%	6.37%	7.44%	15.12%
U.S. Corporate Investment Grade	0.66%	5.19%	2.43%	-1.53%	8.92%
Municipal Bond: Long Bond (22+)	0.99%	9.63%	1.33%	-6.01%	7.57%
Global Aggregate	0.33%	4.09%	4.39%	-2.60%	4.82%

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 5/16/14.

Key Rates

As of 5/16/14

Fed Funds	0.00-0.25%	5-yr CD	1.36%
LIBOR (1-month)	0.15%	2-yr T-Note	0.36%
CPI - Headline	2.00%	5-yr T-Note	1.55%
CPI - Core	1.80%	10-yr T-Note	2.52%
Money Market Accts.	0.44%	30-yr T-Bond	3.34%
Money Market Funds	0.01%	30-yr Mortgage	4.17%
6-mo CD	0.36%	Prime Rate	3.25%
1-yr CD	0.69%	Bond Buyer 40	4.65%

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

Market Indicators

As of 5/16/14

TED Spread	21 bps
Investment Grade Spread (A2)	133 bps
ML High Yield Master II Index Spread	377 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 5/7/14

	Current Week	Previous
Domestic Equity	-\$1.963 Billion	-\$3.963 Billion
Foreign Equity	\$2.717 Billion	\$104 Million
Taxable Bond	\$4.418 Billion	\$602 Million
Municipal Bond	\$1.076 Billion	\$329 Million

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

	Current Week	Previous
Retail	-\$2.74 Billion	\$5.30 Billion
Institutional	-\$0.36 Billion	\$11.16 Billion

Source: Investment Company Institute.

Factoids for the week of May 12 – May 16, 2014

Monday, May 12, 2014

Americans withdrew approximately \$57 billion from 401(k)s and IRAs in 2011 (most recent data), which resulted in close to \$5.7 billion in early-withdrawal penalty payments to the IRS, according to MarketWatch.com. That represents a 37% increase over the previous decade. Taxpayers generally face a 10% penalty if they withdraw retirement savings before age 59½. The Federal Reserve reported that penalties hit 9.3% of taxpayers with retirement accounts in 2011. While early withdrawals tend to be commonplace for those individuals who choose to cash out 401(k) balances after losing or changing their job, they can also surge during economic downturns.

Tuesday, May 13, 2014

Moody's reported that the global speculative-grade default rate stood at 2.4% in April, up from 2.3% in March, according to its own release. Moody's is forecasting a default rate of 2.3% for December 2014. The historical average for the default rate on speculative-grade debt has been approximately 4.7% since 1983. The default rate on senior loans stood at 1.01% in April, down from 1.02% in March, according to Standard & Poor's LCD. Leveraged loan portfolio managers expect the default rate to be in the vicinity of 1.90% by the end of 2014, well below the historical average of around 3.20%. Year-to-date through May 7, net inflows to high yield and bank loan (senior loan) funds totaled \$3.7 billion and \$6.1 billion, respectively, according to data from Lipper.

Wednesday, May 14, 2014

Women are almost twice as likely as men to live below the U.S. poverty line during their retirement years, according to CNNMoney. Census data from 2012 shows that, on average, women 65 years and older live on a median income of \$16,040 a year, compared to \$27,612 for men the same age. Social Security benefits are a key contributor to the income disparity. Social Security benefits are based on a worker's top 35 years of earnings, so time spent out of the workforce can result in a smaller benefit throughout retirement. On average, women work 12 years less than men do over the course of their careers, according to the AARP Public Policy Institute. The current poverty line for individuals in the U.S. (48 contiguous states and the District of Columbia) is \$11,670, according to the U.S. Department of Health & Human Services.

Thursday, May 15, 2014

Goldman Sachs likes the prospects for commodities over the next few years as the global business cycle transitions into an expansion phase, according to Bloomberg. It notes that as growth accelerates, the supply/demand fundamentals in base metals are expected to tighten by the middle of 2015. A Barclays survey in early April revealed that 54% of investors planned to boost their stake in commodities in the next 12 months, compared to 27% in last year's survey. Year-to-date through 5/14, the Dow Jones-UBS Commodity Index posted a total return of 8.65%, compared to a gain of 3.24% (USD) for the MSCI World Index and 2.96% for the S&P 500.

Friday, May 16, 2014

Data (preliminary) compiled by the Rockefeller Institute shows that total state tax collections rose 0.7% (y-o-y) in Q1/14, the 17th consecutive quarter in which revenues were up, according to its own release. It is, however, the weakest growth since Q1'10. Thirty-seven of the 46 states that have reported results experienced gains in total tax revenues. Personal income, sales and corporate tax revenues were down 0.4%, up 1.0%, and up 5.6%, respectively. A few of the states with the highest y-o-y increase in total tax collections were Nebraska (+15.7%), Texas (+11.8%), Louisiana (+10.0%), Massachusetts (+9.3%) and Oregon (+9.1%).