

Stock Index Performance

Index	Week	YTD	12-mo.	2013	5-yr.
Dow Jones Industrial Avg.(16,924)	1.28%	3.22%	15.24%	29.65%	17.10%
S&P 500 (1,949)	1.40%	6.43%	22.67%	32.38%	18.15%
NASDAQ 100 (3,795)	1.57%	6.28%	30.46%	36.94%	21.89%
S&P 500 Growth	1.40%	6.58%	24.74%	32.75%	18.43%
S&P 500 Value	1.40%	6.27%	20.49%	31.97%	17.92%
S&P MidCap 400 Growth	2.32%	3.45%	19.87%	32.68%	20.40%
S&P MidCap 400 Value	2.47%	8.05%	24.75%	34.25%	20.64%
S&P SmallCap 600 Growth	3.14%	-0.47%	23.11%	42.68%	20.82%
S&P SmallCap 600 Value	2.52%	3.06%	23.81%	39.98%	20.19%
MSCI EAFE	0.90%	4.71%	21.38%	22.78%	11.51%
MSCI World (ex US)	1.08%	4.93%	18.10%	15.29%	10.55%
MSCI World	1.17%	5.53%	21.62%	26.68%	14.42%
MSCI Emerging Markets	1.75%	5.19%	8.57%	-2.60%	8.34%

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 6/6/14.

S&P Sector Performance

Index	Week	YTD	12-mo.	2013	5-yr.
Consumer Discretionary	1.89%	0.50%	21.72%	43.08%	24.82%
Consumer Staples	0.41%	5.82%	15.06%	26.14%	17.15%
Energy	1.47%	9.10%	22.06%	25.05%	14.38%
Financials	2.36%	4.91%	18.25%	35.59%	15.05%
Health Care	0.67%	8.94%	27.35%	41.46%	20.97%
Industrials	2.18%	5.93%	30.64%	40.64%	20.80%
Information Technology	1.25%	7.78%	26.63%	28.43%	18.28%
Materials	1.33%	8.24%	27.92%	25.60%	16.05%
Telecom Services	-1.09%	4.32%	4.73%	11.47%	14.97%
Utilities	0.83%	14.52%	18.83%	13.21%	14.48%

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 6/6/14.

Bond Index Performance

Index	Week	YTD	12-mo.	2013	5-yr.
U.S. Treasury: Intermediate	-0.38%	1.32%	0.25%	-1.34%	3.15%
GNMA 30 Year	-0.33%	3.50%	2.95%	-2.17%	4.38%
U.S. Aggregate	-0.51%	3.34%	2.13%	-2.02%	5.12%
U.S. Corporate High Yield	0.26%	4.86%	9.60%	7.44%	13.94%
U.S. Corporate Investment Grade	-0.68%	4.88%	4.18%	-1.53%	8.62%
Municipal Bond: Long Bond (22+)	-0.42%	9.43%	2.78%	-6.01%	7.76%
Global Aggregate	-0.26%	3.90%	4.07%	-2.60%	4.81%

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 6/6/14.

Key Rates

As of 6/6/14

Fed Funds	0.00-0.25%	5-yr CD	1.37%
LIBOR (1-month)	0.15%	2-yr T-Note	0.40%
CPI - Headline	2.00%	5-yr T-Note	1.64%
CPI - Core	1.80%	10-yr T-Note	2.59%
Money Market Accts.	0.45%	30-yr T-Bond	3.43%
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	4.55%

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

Market Indicators

As of 6/6/14

TED Spread	20 bps
Investment Grade Spread (A2)	127 bps
ML High Yield Master II Index Spread	353 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 5/28/14

	Current Week	Previous
Domestic Equity	-\$2.596 Billion	-\$1.802 Billion
Foreign Equity	\$149 Million	\$2.480 Billion
Taxable Bond	\$1.259 Billion	\$1.502 Billion
Municipal Bond	\$812 Million	\$798 Million

Change in Money Market Fund Assets for the Week Ended 6/4/14

	Current Week	Previous
Retail	-\$0.04 Billion	-\$1.23 Billion
Institutional	-\$7.21 Billion	\$4.58 Billion

Source: Investment Company Institute.

Factoids for the week of June 2 - 6, 2014

Monday, June 2, 2014

Last week, more than 30% of the U.S. was experiencing at least moderate drought conditions, according to USA TODAY. Seven states currently have more than half of their land plagued by severe drought conditions. Severe drought entails crop loss, frequent water shortages and mandatory restrictions. The nations drought conditions are tracked by the U.S. Drought Monitor, which is produced by the U.S. Department of Agriculture, the National Oceanic Atmospheric Administration and the National Drought Mitigation Center. The seven states (% of land in severe drought) are as follows: California (100.0%); Nevada (87.0%); New Mexico (86.2%); Kansas (80.8%); Arizona (76.3%); Oklahoma (64.5%); and Texas (56.1%). In some areas of the U.S. the drought has already lasted 42 months.

Tuesday, June 3, 2014

In May, the dividend-payers (421) in the S&P 500 (equal weight) posted a total return of 2.69%, vs. 0.54% for the non-payers (79), according to Standard & Poor's. Year-to-date, the payers were up 6.25%, vs. a gain of 3.37% for the non-payers. For the 12-month period ended May 2014, payers were up 28.33%, vs. a gain of 24.43% for the non-payers. The number of dividend increases in May totaled 48, up from 30 a year ago. There were no decreases in May and none in May 2013. Year-to-date through April, Equity Income mutual funds reported net cash outflows totaling approximately \$2.5 billion (\$100 million of net outflows in May), while Equity Income ETFs experienced net cash inflows totaling approximately \$5 million (\$514 million of net inflows in May), according to data from Lipper.

Wednesday, June 4, 2014

A recent survey from CNN/ORC International found that 59% of adults now think the American dream has become impossible for most to achieve, up from 54% back in 2006, according to MarketWatch.com. Sixty-three percent of those surveyed believe most children in the U.S. will grow up to be worse off than their parents. Older Americans were more pessimistic, with 70% saying that kids today will be worse off. A housing survey from Hart Research Associates revealed that 52% of those surveyed have had to make at least one major sacrifice in order to cover their rent or mortgage over the last three years, according to MarketWatch.com. These sacrifices included getting a second job, deferring saving for retirement, cutting back on health care and running up credit card debt.

Thursday, June 5, 2014

Bank of America Merrill Lynch reported it expects capital spending to increase by 4.7% this year and 5.7% next year, according to Kiplinger's Personal Finance. Spending rose 2.6% in 2013. The biggest beneficiaries are likely to be technology, industrial, energy and raw materials companies. These economically sensitive sectors account for more than 40% of revenues generated by S&P 500 companies. The S&P 500 Old Industrials (Excludes Financials, Utilities and Transportation Companies) cash holdings stood at a record \$1.29 trillion in Q4'13, according to S&P Capital IQ. Howard Silverblatt, senior index analyst at S&P Dow Jones Indices, reported near the end of May that cash holdings were running about 6% lower than in Q4'13. He also noted that capital expenditures were about 7% higher than in Q1'13.

Friday, June 6, 2014

The U.S. IPO market has strengthened in 2014. Year-to-date through 5/30, 115 IPOs were priced in the U.S., up 55.4% from the 74 launched over the same period a year ago, according to Renaissance Capital. Companies raised \$23.5 billion from the 115 IPOs, up 38.2% from the \$17.0 billion raised a year ago. The number of IPO filings y-t-d totaled 169, up 103.6% from the 83 filings a year ago. The four most active sectors for IPOs so far this year are as follows: Health Care (43 deals/\$3.0 billion); Technology (31 deals/\$6.1 billion); Financials (14 deals/\$5.6 billion); and Energy (9 deals/\$4.1 billion).