

Stock Index Performance

Index	Week	YTD	12-mo.	2014	5-yr.
Dow Jones Industrial Avg. (18,019)	1.26%	1.47%	15.07%	10.04%	15.19%
S&P 500 (2,097)	2.10%	2.12%	16.96%	13.68%	16.70%
NASDAQ 100 (4,384)	3.70%	3.66%	21.28%	19.49%	21.23%
S&P 500 Growth	2.52%	3.09%	17.93%	14.89%	17.71%
S&P 500 Value	1.64%	1.07%	15.89%	12.35%	15.67%
S&P MidCap 400 Growth	1.84%	4.44%	12.21%	7.57%	18.14%
S&P MidCap 400 Value	1.74%	2.68%	15.03%	12.04%	17.14%
S&P SmallCap 600 Growth	1.69%	3.50%	10.60%	3.85%	19.13%
S&P SmallCap 600 Value	0.85%	-0.30%	9.87%	7.54%	17.31%
MSCI EAFE	1.55%	3.74%	-0.08%	-4.90%	7.70%
MSCI World (ex US)	1.40%	3.17%	1.30%	-3.87%	6.57%
MSCI World	1.89%	2.65%	8.73%	4.94%	11.95%
MSCI Emerging Markets	0.88%	3.30%	6.93%	-2.19%	3.88%

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 2/13/15.

S&P Sector Performance

Index	Week	YTD	12-mo.	2014	5-yr.
Consumer Discretionary	2.67%	3.76%	17.26%	9.68%	22.73%
Consumer Staples	1.00%	2.11%	22.57%	15.98%	16.65%
Energy	2.94%	3.47%	0.14%	-7.79%	10.18%
Financials	1.24%	-1.10%	15.16%	15.18%	13.84%
Health Care	1.40%	3.43%	23.91%	25.34%	20.39%
Industrials	1.71%	1.01%	13.86%	9.80%	17.90%
Information Technology	4.29%	2.92%	22.09%	20.12%	17.04%
Materials	3.12%	5.92%	14.14%	6.91%	13.94%
Telecom Services	0.07%	5.83%	12.11%	2.99%	14.85%
Utilities	-2.99%	-4.30%	17.07%	28.98%	14.06%

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 2/13/15.

Bond Index Performance

Index	Week	YTD	12-mo.	2014	5-yr.
U.S. Treasury: Intermediate	-0.14%	0.59%	2.26%	2.57%	2.75%
GNMA 30 Year	0.08%	0.24%	4.41%	6.03%	3.91%
U.S. Aggregate	-0.24%	0.83%	5.25%	5.97%	4.35%
U.S. Corporate High Yield	0.24%	1.89%	2.93%	2.45%	9.58%
U.S. Corporate Investment Grade	-0.36%	1.33%	6.73%	7.46%	6.62%
Municipal Bond: Long Bond (22+)	-0.51%	0.97%	12.79%	15.39%	6.95%
Global Aggregate	-0.02%	-0.78%	-1.81%	0.59%	2.53%

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 2/13/15.

Key Rates

As of 2/13/15

Fed Funds	0.00-0.25%	5-yr CD	1.49%
LIBOR (1-month)	0.17%	2-yr T-Note	0.64%
CPI - Headline	0.80%	5-yr T-Note	1.54%
CPI - Core	1.60%	10-yr T-Note	2.05%
Money Market Accts.	0.44%	30-yr T-Bond	2.65%
Money Market Funds	0.02%	30-yr Mortgage	3.89%
6-mo CD	0.42%	Prime Rate	3.25%
1-yr CD	0.72%	Bond Buyer 40	4.24%

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

Market Indicators

As of 2/13/15

TED Spread	25 bps
Investment Grade Spread (A2)	158 bps
ML High Yield Master II Index Spread	471 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 2/4/15

	Current Week	Previous
Domestic Equity	\$3.534 Billion	\$3.456 Billion
Foreign Equity	\$704 Million	\$888 Million
Taxable Bond	\$2.272 Billion	\$4.777 Billion
Municipal Bond	\$963 Million	\$1.297 Billion

Change in Money Market Fund Assets for the Week Ended 2/11/15

	Current Week	Previous
Retail	-\$1.01 Billion	-\$3.41 Billion
Institutional	\$5.29 Billion	-\$12.94 Billion

Source: Investment Company Institute.

Factoids for the week of February 9 - 13, 2015

Monday, February 9, 2015

Reis Inc. reported that the U.S. office vacancy rate fell from 16.8% in Q3'14 to 16.7% in Q4'14, the lowest since Q3'09, according to Reuters. The vacancy rate has averaged 16.4% over the past seven years. Net absorption of 11 million square feet of office space in Q4'14 was the highest since Q3'07. Washington, D.C. and New York were the tightest markets, with vacancy rates of 9.2% and 9.5%, respectively. Ryan Severino, senior economist at Reis Inc., expects further declines in 2015 if job gains continue to accelerate.

Tuesday, February 10, 2015

The U.S. Department of Agriculture (USDA) is expected to release a forecast today saying that net cash income from all farm activity will likely be below \$100 billion for 2015, the lowest amount since 2010, according to Brent Gloy, an agricultural economist at Purdue University. USDA data shows that net cash income totaled \$108.2 billion in 2014, down 17.5% from the previous year, according to Bloomberg. The record for net cash income was \$137.1 billion in 2012. Land values reached an all-time high of \$2,950 an acre in 2014.

Wednesday, February 11, 2015

CoreLogic reported today that cash sales comprised 36.1% of all U.S. home sales in November 2014, down from 38.8% in November 2013, according to 24/7 Wall St. It was the 23rd consecutive month in which cash sales were down on a year-over-year basis. The peak in cash sales was 46.4% in January 2011. That peak was nearly double the pre-housing crisis average of around 25%. In November 2014, cash sales were highest in Michigan (54.4%), West Virginia (53.3%), Florida (51.4%), Alabama (50.7%) and South Dakota (45.5%).

Thursday, February 12, 2015

Moody's reported that the global speculative-grade default rate stood at 2.0% in January, according to its own release. The rate was 2.6% a year ago. Moody's is forecasting a default rate of 2.7% for December 2015. The historical average for the default rate on speculative-grade debt has been 4.7% since 1983. The U.S. speculative-grade default rate stood at 1.9% in December. The rate was 1.9% a year ago. The default rate on senior loans stood at 0.75% in January, according to Standard & Poor's LCD. The rate was 1.17% a year ago.

Friday, February 13, 2015

In 2014, global mergers and acquisitions (M&A) increased by 25% (y-o-y), according to FoxBusiness.com. The U.S. middle market, however, was flat (y-o-y) in 2014. Citizens Commercial Bank's fourth annual Middle Market M&A Survey found that 36% of mid-market companies are currently involved in acquiring another firm or are actively seeking candidates, up from 26% in 2013. With respect to the highest revenue firms in the mid-market space (\$100MM-<\$2B), 46% are currently involved in a purchase, up from 30% in 2013. The combination of a stronger U.S. economy and the spike in large company M&A activity is motivating more mid-market firms to act in an effort to stay competitive.