











The Economy

Two key components of the U.S. economy remain sluggish: jobs and residential real estate. Job creation is likely to lag until small businesses gain access to capital. The Bureau of Economic Analysis reported that the profits of unincorporated businesses such as partnerships and self-employed individuals are down nearly 5% from two years ago, while corporate profits are up 21%, according to Bloomberg. Multinationals are reaping the benefits from overseas operations where demand is greater than in the U.S. Sageworks, an accounting software firm that collects data from private companies, reported that sales are down by 5% this year in 16 out of 19 industries for those companies generating less than \$20 million in revenue.

Consumer Confidence 54.1 (Nov) 50.2 (Oct) 	Crude Oil (Mo.-End) \$84.11 (Nov) \$81.43 (Oct) 	Personal Spending 0.4% (Oct) Sep was 0.2% 	ISM Manufacturing 56.6 (Nov) 56.9 (Oct) 	ISM Non-Manufacturing 55.0 (Nov) 54.3 (Oct) 
Gold (Mo.-End) \$1385.00 (Nov) \$1357.60 (Oct) 	Natural Gas (Mo.-End) \$4.18 (Nov) \$4.04 (Oct) 	Factory Orders -0.9% (Oct) Sep was 2.1% 	New Home Sales 283,000 (Oct) 307,000 (Sep) 	Existing Home Sales 4.43M (Oct) 4.53M (Sep) 

The Stock Market

Indices (Source: Bloomberg)

	Nov	12-mo.
S&P 500	0.0%	10.0%
DJIA	-0.6%	9.4%
NASDAQ 100	-0.2%	20.7%
S&P 400	3.0%	26.3%
Russell 2000	3.5%	27.0%
Russell 3000	0.6%	12.7%
MSCI World (ex U.S.) (USD)	-4.2%	3.1%
MSCI Emerging Markets (USD)	-2.6%	15.5%

Growth/Value (Source: Bloomberg)

	Nov	12-mo.
S&P 500 Citigroup Growth	0.5%	11.7%
S&P 500 Citigroup Value	-0.5%	8.3%
S&P Midcap 400/Citigroup Growth	4.5%	30.8%
S&P Midcap 400/Citigroup Value	1.4%	22.2%
Russell 2000 Growth	4.4%	30.3%
Russell 2000 Value	2.5%	23.7%

Sixty-nine out of the 133 subsectors (51.9%) that comprise the S&P 500 posted a gain in November, down from 107 last month. Energy was the top performing major sector, up 5.5%, according to S&P. In November, the dividend-payers (370) in the S&P 500 (equal weight) posted a total return of 0.79%, vs. 1.00% for the non-payers (130), according to S&P. Year-to-date, the payers were up 10.60%, vs. a gain of 8.91% for the non-payers. For the 12-month period ended November, payers were up 14.89%, vs. a gain of 16.82% for the non-payers. The number of dividend increases year-to-date totaled 221, up from 137 increases a year ago. Three companies decreased their dividends, down from 68 a year ago. With respect to earnings, in October, 198 companies raised profit estimates above analysts' projections, while 130 companies cut them, according to *Bloomberg Businessweek*. It represented the biggest gap since Bloomberg began tracking the data in 1999. The last time executives were this optimistic the S&P 500 rallied 39% over the next 3½ years. Mid- and small-cap stocks continue to outshine their large-cap counterparts. The S&P 400 and Russell 2000 indices posted strong gains in November, over the past 12 months and the past decade. From 11/00-11/10, the cumulative total returns of the big three U.S. indices were as follows: S&P 500 (8.4%), S&P 400 (101.6%) and Russell 2000 (86.6%).

U.S. Dollar (U.S. Trade-Weighted Basket) +3.6% (Nov thru 29 th) +1.0% ('10 thru 11/29) \$ was down 5.9% in '09 	CBOE Total Equity Options (# of contracts in millions)  Nov: 48.7 (+1.2%) Oct: 48.1 (+23.0%) Record 7/08: 67.2 million	Short Interest (NYSE) Nov 15: 13.8B (-2.1%)  Oct 15: 14.1B (-2.1%) Record 7/08: 18.61 billion shares	VIX Volatility Index (S&P 500)  23.54 (11/30) 21.20 (10/29) Record 11/20/08: 80.86
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

The Bond Market

Index (Source: Barclays)	Nov	12-Mo.	Yield	Too much uncertainty may have pushed yields higher in November. Investors still do not know if the Bush tax cuts will be extended for a second time (cuts were originally going to expire in 2008 but were extended to 2010) and with yields at such low levels some investors may have been inspired to take some profits. Investors may have been anticipating a good nonfarm payroll number as well (39,000 new jobs in November turned out to be a disappointment). The number of global debt issuers poised for downgrades totaled 532 in October, down from 1,028 at this point last year and 564 in September, according to S&P. The 532 is the lowest total since S&P began keeping track in September 2005. The number of issuers poised for upgrades increased by 9 in October to 271. The 271 exceeded the trailing 12-month average by 45.
U.S. Treasury: Intermediate	-0.60%	4.65%	1.21%	
GNMA 30 Year	-0.13%	5.71%	3.31%	
Municipal Bond (22+)	-3.82%	6.14%	5.18%	
U.S. Aggregate	-0.57%	6.02%	2.68%	
Intermediate Corporate	-0.77%	8.74%	3.12%	
U.S. Corporate High Yield	-1.17%	16.78%	7.90%	
Global Aggregate	-3.81%	0.26%	2.58%	
Global Emerging Markets	-3.14%	10.41%	5.57%	

Key Rates as of November 30		Key Yield Spread		2010 Debt Issuance through October		
		The spread between the Merrill Lynch High Yield Master II Index and the 10-Yr. T-Bond was 534 basis points on 11/30/10, up from 506 on 10/29/10. It was 661 on 11/30/09. (Source: Bloomberg)		(Source: Thomson Reuters)		
Fed Funds	0-0.25%	Debt Category	\$ Amount	% change over '09		
2-Yr. T-Note	0.51%	Treasury	\$1.85 Trillion	+11.5%		
10-Yr. T-Bond	2.80%	Corporate	\$850.8 Billion	+11.2%		
30-Yr. Mortgage	4.55%	Convertible	\$25.1 Billion	+7.3%		
Bond Buyer 40	5.24%	Asset-Backed	\$97.1 Billion	-34.1%		
(Source: Bloomberg)		Municipal	\$343.9 Billion	+2.6%		

Equity funds reported net cash inflows totaling \$441 million in 10/10, vs. \$10.7 billion of outflows in 9/10, according to the Investment Company Institute. Bond fund inflows totaled \$24.0 billion, vs. \$26.6 billion of inflows in 9/10. Money Market fund outflows totaled \$11.2 billion, vs. \$32.3 billion of inflows in 9/10. Y-T-D through October, equity funds reported net outflows totaling \$29.7 billion, vs. \$267.0 billion of inflows for bond funds and \$539.8 billion of outflows for MMFs.

Index	10-Yr. High Value	Date	10-Yr. Low Value	Date	Month-End Value	% Off High Value	YTD Return (USD)	Month-End Yield
S&P 500	1565.15	10/09/07	676.53	03/09/09	1180.55	-24.57%	7.86%	1.92%
S&P 500/Citigroup Growth	769.12	12/11/00	363.99	03/09/09	627.14	-18.46%	9.36%	1.53%
S&P 500/Citigroup Value	836.19	07/13/07	307.16	03/09/09	546.33	-34.66%	6.36%	2.35%
S&P 400	926.23	07/13/07	372.88	10/09/02	852.59	-7.95%	18.85%	1.31%
S&P 400/Citigroup Growth	389.53	11/24/10	162.27	10/09/02	385.98	-0.91%	23.79%	0.77%
S&P 400/Citigroup Value	361.18	06/04/07	135.55	10/09/02	295.72	-18.12%	14.07%	1.88%
S&P 100	733.97	12/11/00	322.13	03/09/09	529.73	-27.83%	5.18%	2.08%
DJIA	14164.53	10/09/07	6547.05	03/09/09	11006.02	-22.30%	8.29%	2.56%
NASDAQ 100	2972.91	12/11/00	804.64	10/07/02	2117.33	-28.78%	14.66%	0.80%
Russell 2000	855.77	07/13/07	327.04	10/09/02	727.01	-15.05%	17.53%	1.26%
Russell 2000 Growth	455.25	10/10/07	169.69	10/09/02	409.56	-10.04%	19.98%	0.60%
Russell 2000 Value	1276.63	06/04/07	469.32	03/09/09	979.31	-23.29%	14.96%	1.95%
Russell 3000	907.58	10/09/07	389.61	03/09/09	702.92	-22.55%	9.51%	1.79%
MSCI World x U.S. (USD)	5379.90	10/31/07	1636.59	03/12/03	3858.61	-28.28%	0.83%	N/A
MSCI Emerging Markets (USD)	473.35	10/29/07	75.12	09/21/01	407.91	-13.83%	10.96%	N/A
Bovespa/Brazil (USD)	44638.24	05/19/08	2160.80	10/16/02	39471.46	-11.57%	0.16%	3.37%
RTS/Russia (USD)	2487.92	05/19/08	131.02	01/03/01	1597.35	-35.80%	13.07%	1.54%
Bombay SE 500/India (USD)	226.04	01/07/08	16.50	09/21/01	168.29	-25.55%	15.82%	1.16%
Shanghai Composite/China (USD)	810.24	10/16/07	122.21	07/11/05	422.99	-47.80%	-10.37%	1.48%
KOSPI/South Korea (USD)	2.29	10/31/07	0.36	04/04/01	1.64	-28.33%	14.02%	1.28%
Hang Seng (USD)	4082.25	10/30/07	1078.13	04/25/03	2962.69	-27.42%	8.27%	2.68%
MSCI Euro (USD)	1988.53	10/31/07	598.84	03/12/03	1061.65	-46.61%	-12.40%	3.83%
S&P Consumer Discretionary	318.54	06/04/07	125.72	03/09/09	284.18	-10.79%	22.64%	1.41%
S&P Consumer Staples	306.61	12/10/07	182.72	03/10/03	292.38	-4.64%	9.48%	3.19%
S&P Energy	668.81	05/20/08	163.83	07/23/02	465.21	-30.44%	10.52%	1.92%
S&P Utilities	223.91	12/10/07	77.27	10/09/02	155.08	-30.74%	2.30%	4.42%
S&P Financials	509.55	02/20/07	81.74	03/06/09	194.14	-61.90%	1.27%	1.23%
S&P Banks	414.38	02/20/07	49.02	03/05/09	128.98	-68.87%	3.84%	1.02%
FTSE NAREIT Equity REITs	676.54	02/07/07	163.57	03/06/09	409.36	-39.49%	22.25%	3.75%
S&P Health Care	444.98	12/28/00	252.84	03/05/09	349.62	-21.43%	-1.51%	2.17%
S&P Pharmaceuticals	496.83	12/28/00	214.50	03/03/09	286.93	-42.25%	-3.03%	3.79%
NYSE Arca Biotechnology	1253.57	03/23/10	280.09	07/10/02	1142.50	-8.86%	21.27%	1.37%
S&P Information Technology	606.39	12/11/00	172.88	10/09/02	384.45	-36.60%	4.68%	0.88%
Philadelphia Semiconductor	732.19	01/31/01	171.32	11/20/08	390.12	-46.72%	9.78%	1.07%
S&P Telecom Services	233.65	01/18/01	79.00	09/30/02	119.66	-48.79%	10.36%	5.32%
S&P Industrials	381.16	10/09/07	132.83	03/09/09	279.95	-26.55%	17.62%	2.03%
S&P Materials	285.91	05/16/08	102.55	10/09/02	217.51	-23.92%	10.72%	1.72%
Philadelphia Gold & Silver	222.03	11/11/10	45.82	02/14/01	213.17	-3.99%	27.61%	0.63%
Reuters/Jefferies CRB	473.52	07/02/08	183.52	10/22/01	301.41	-36.35%	6.36%	N/A
Merrill Lynch Perpetual Preferred	197.85	05/08/07	51.79	03/09/09	153.40	-22.47%	13.83%	7.23%
Merrill Lynch High Yield Master II	262.01	11/09/10	106.67	10/10/02	256.62	-2.06%	13.08%	8.14%