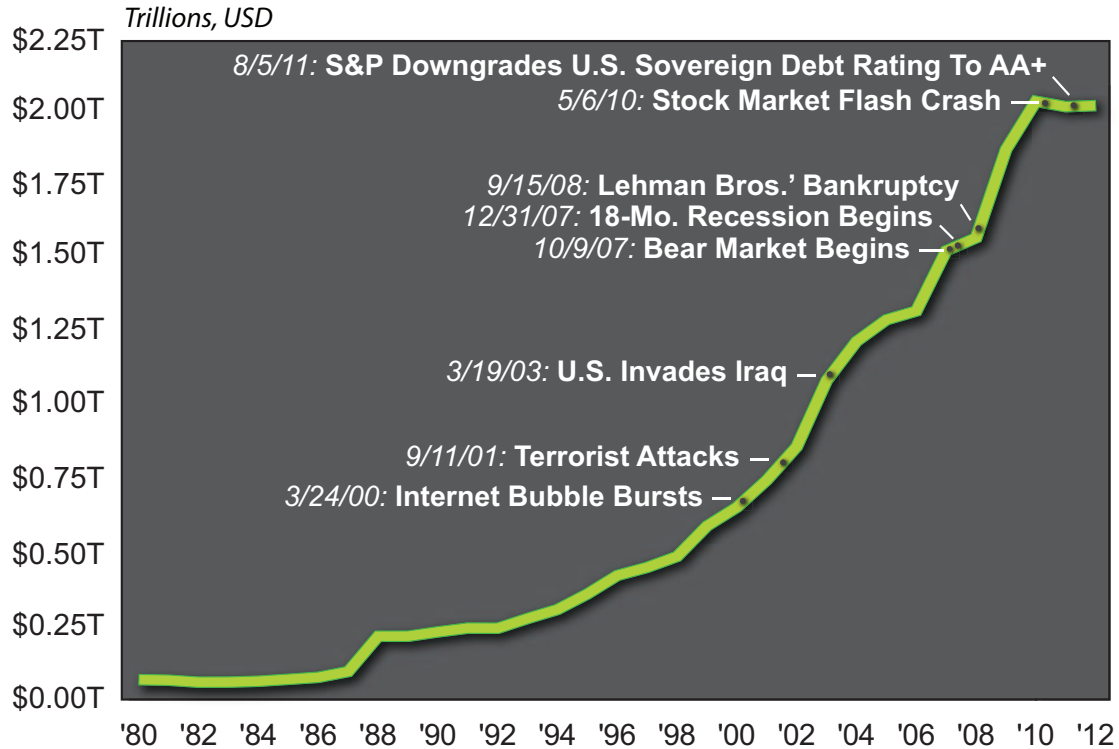


Corporate America's Flush With Cash

Cash & Equivalent Holdings for U.S. Corporations (excluding Financials & Utilities)



Source: Compustat

View from the Observation Deck

1. Today's blog post paints a picture revealing just how strong U.S. corporations, on the whole, have become over the past dozen years.
2. The fact that U.S. firms have increased their cash and equivalents holdings from \$599 billion in 1999 to 2.03 trillion in 2012, despite a multitude of challenging events, is noteworthy, in our opinion.
3. Each of the eight events referenced in the chart presented significant headwinds for the U.S. economy and securities markets. Some of these issues are still lingering to some degree.
4. While this list of events looks like quite a mountain to climb, it is the green line that outlines the mountain of cash waiting to be put to work.
5. Keep in mind, cash holdings have surged in spite of the hundreds of billions of dollars companies have spent on stock buybacks, dividends, Research & Development, capital expenditures and mergers and acquisitions.
6. As we have commented many times over the past few years, Corporate America is lean and mean, and investors should take notice.

This chart is for illustrative purposes only and not indicative of any actual investment.