

Weekly Market Review At-A-Glance

Week Ended January 14, 2011



Food Prices Bite EM Economies

- U.S. continues to recover gradually through strength in manufacturing and accommodative monetary policy
- Higher commodity prices have not yet hurt U.S. consumers and the Fed appears unconcerned with inflation as it proceeds with QE2

Uncertainty in Emerging Markets

- Food and energy price rises in emerging markets have had a significant impact on consumers
- India's food prices rose at an annualized rate of 16.91% in the week of December 26th through January 1st
- Emerging Market policymakers were already in the midst of monetary tightening and pressure from food prices will likely accelerate that process
- Emerging Market equity indices have all seen substantial selloffs this past week amid fears that central banks will begin another round of tightening to stem further inflation

European Inflation

- European year-over-year inflation rose to 2.2% in December
- This rise prompted ECB President Jean-Claude Trichet to state that he would raise interest rates if needed
- This statement from the central bank surprised many Europe watchers as peripheral Europe fights to combat fiscal insolvency with substantial austerity measures

	1-WK	3M	YTD	1-Year
Market Returns				
DJIA	0.96%	6.96%	1.89%	13.01%
S&P 500	1.72	10.73	2.90	14.83
NASDAQ	1.93	13.14	3.86	18.85
MSCI World (ex-US)	2.57	3.73	1.71	6.79
MSCI EM	1.13	3.17	0.77	16.89
MSCI EAFE	2.71	3.26	1.86	5.62
Barclays Aggregate Bond	0.11	-1.54	0.13	5.61
ML HY Master II	0.46	2.82	1.33	14.05
GSCI	3.58	10.65	1.13	10.23

S&P 500 Sector Returns

Cons Discretionary	0.67	10.78	1.41	27.34
Cons Staples	0.98	3.77	0.03	12.09
Energy	3.34	19.82	3.82	19.86
Financial Services	3.23	15.23	4.99	10.90
Healthcare	0.28	4.01	2.16	1.09
Industrials	1.85	10.97	3.04	23.08
Technology	2.04	11.81	4.76	14.13
Materials	1.13	13.73	0.81	19.27
Telecom	-1.56	4.80	-1.28	22.14
Utilities	0.49	1.10	1.30	6.55

Country Returns

MSCI Germany	4.74	4.33	1.86	8.60
MSCI Japan	0.53	9.04	1.32	8.12
MSCI U.K.	2.36	4.40	3.31	9.43
MSCI Brazil	1.50	-0.76	0.96	7.48
MSCI Russia	5.64	16.29	4.95	14.71
MSCI India	-4.35	-11.78	-9.27	5.71
MSCI China	1.54	-2.15	4.00	8.95

	P/E Forward 12M	P/E Trailing 12M	Dividend Yield
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Index Characteristics

S&P 500	13.60x	16.06x	1.93%
Russell 1000 Growth	15.18	18.48	1.43
Russell 1000 Value	12.98	15.41	2.26

	Close (1/14/11)	Prior Wk (1/7/11)	Year End (12/31/10)	Year Ago (1/14/10)
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Interest Rates

Fed Funds Target	0.25%	0.25%	0.25%	0.25%
6-Month CD	0.44	0.44	0.43	0.33
2-Year U.S. Treasury	0.57	0.59	0.59	0.92
10-Year U.S. Treasury	3.32	3.32	3.29	3.74
Bond Buyer Muni 40	5.53	5.59	5.51	5.35
Barclays Inv Grd Corp	4.00	4.00	4.03	4.50
Barclays High Yield	7.66	7.71	7.90	8.79

Commodities

Crude Oil (\$/barrel)	91.54	88.03	91.38	79.39
Gold (\$/oz.)	1360.50	1368.90	1421.40	1143.00

Currency

\$ per €	1.34	1.30	1.34	1.45
\$ per £	1.59	1.56	1.57	1.63
¥ per \$	82.82	82.98	81.11	91.11
Brazilian Real per \$	1.68	1.68	1.66	1.77
Mexican Peso per \$	12.08	12.22	12.33	12.77
Turkish Lira per \$	1.55	1.57	1.54	1.46

Style Returns-Russell Indices

	1-Week				YTD		
	Value	Core	Growth		Value	Core	Growth
Large	1.62	1.77	1.92	Large	2.82	2.91	3.00
Mid	1.77	2.03	2.31	Mid	2.22	2.65	3.12
Small	2.44	2.52	2.59	Small	2.83	3.08	3.31

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Price-to-Earnings Ratio "Forward" ("P/E") is a valuation ratio of a company's current share price divided by its forecasted per-share earnings over the next 12 months. Price-to-Earnings Ratio "Trailing" ("P/E") is a valuation ratio of a company's current share price compared to its actual per-share earnings over the last 12 months. Dividend Yield is the amount achieved by dividing the fund's price per share into its dividend per share and annualizing it.

The Dow Jones Industrial Average (DJIA) is a price-weighted average of 30 blue-chip stocks that are generally the leaders in their industry. The S&P 500 Index is a broad-based index including reinvestment of dividends and is widely regarded as an indicator of domestic stock market performance. The Nasdaq composite index is a broad-based, capitalization-weighted index of all Nasdaq National Market & Small-Cap stocks. The MSCI World Index (Ex-US) is a capitalization weighted index that monitors the performance of stocks from around the world with the exception of the United States. The MSCI Emerging Markets Index is a capitalization weighted index that monitors the performance of emerging market stocks from around the world. The MSCI EAFE Index is a capitalization weighted index that monitors the performance of stocks from Europe, Asia, and the Far East. The index includes US Treasury/agency issues, mortgage pass through securities, and corporate issues. The Barclays Capital Aggregate Bond Index is an unmanaged index comprised of U.S. investment grade, fixed rate bond market securities, including government, government agency, corporate and mortgage-backed securities between one and ten years. The Merrill Lynch High Yield Master II tracks the performance of below-investment-grade, U.S.-dollar-denominated corporate bonds publicly issued in the U.S. domestic market. The S&P Goldman Sachs Commodity Index (S&P GSCI) is a composite index of commodity sector returns representing an unleveraged, long-only investment in commodity futures that is broadly diversified across the spectrum of commodities. Indices are unmanaged and cannot be purchased directly by investors. Index performance is shown for illustrative purposes only and does not predict or depict the performance of any investment. **Past performance does not guarantee future results.**

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