



Market Week: January 3, 2012

The Markets

Shortened by the Christmas holiday, the last week of 2011 saw low volumes that, despite some volatility, left the domestic equity indices little changed. The Dow was the only one of the four to end the year with a gain, due in no small part to its nearly 12% bounce in the fourth quarter. Meanwhile, the S&P 500 closed out 2011 just four-hundredths of a point below where it began, with a Q4 gain of just over 11%. The summer's volatility cost the Nasdaq and small-cap Russell 2000 dearly; at year's end, they were down 9% and 14% respectively from their April 2011 highs despite the Russell's fourth-quarter 15% gain.

Market/Index	2010 Close	Prior Week	As of 12/30	Week Change	YTD Change*
DJIA	11577.51	12294.00	12217.56	-.62%	5.53%
Nasdaq	2652.87	2618.64	2605.15	-.52%	-1.80%
S&P 500	1257.64	1265.33	1257.60	-.61%	-0%
Russell 2000	783.65	747.98	740.92	-.94%	-5.45%
Global Dow	2087.44	1803.20	1801.60	-0%	-13.69%
Fed. Funds	.25%	.25%	.25%	0 bps	0 bps
10-year Treasuries	3.30%	2.03%	1.89%	-14 bps	-141 bps

*Equities data reflect price changes, not total return.

Last Week's Headlines

- Home prices fell in October for the sixth straight month, according to the S&P/Case-Shiller 20-city composite index. Prices were down 1.2% from September, with all but one of the 20 cities tracked by the index showing a decline. Prices also were 3.4% lower than a year ago.
- The National Association of Realtors® said pending home sales (sales for which a contract has been signed but which have not closed) rose 7.3% in November. That represented its highest level since April 2010.
- Spain's new government announced a package of €8.9 billion worth of budget cuts and tax increases to try to attack a deficit that represents roughly 8% of the country's output.

Eye on the Week Ahead

Investors who believe that the first five days of January suggest something about the rest of the year will watch the coming week closely. Manufacturing and construction indicators as well as unemployment data on Friday could suggest whether economic recovery is likely to continue in 2012.

Key dates and data releases: U.S. manufacturing, construction spending, Federal Open Market Committee minutes (1/3); auto sales, factory orders (1/4); U.S. services sector, new weekly jobless claims (1/5); unemployment/payrolls, consumer credit (1/6).

Data sources: Includes data provided by Brounes & Associates. All information is based on sources deemed reliable, but no warranty or guarantee is made as to its accuracy or completeness. Neither the information nor any opinion expressed herein constitutes a solicitation for the purchase or sale of any securities, and should not be relied on as financial advice. Past performance is no



guarantee of future results. Equities data reflect price change, not total return.

The Dow Jones Industrial Average (DJIA) is a price-weighted index composed of 30 widely traded blue-chip U.S. common stocks. The S&P 500 is a market-cap weighted index composed of the common stocks of 500 leading companies in leading industries of the U.S. economy. The NASDAQ Composite Index is a market-value weighted index of all common stocks listed on the NASDAQ stock exchange. The Russell 2000 is a market-cap weighted index composed of 2000 U.S. small-cap common stocks. The Global Dow is an equally weighted index of 150 widely traded blue-chip common stocks worldwide. Market indexes listed are unmanaged and are not available for direct investment.

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