

Capital Markets Monthly Update: December 30, 2011

U.S. Equity Market Indices

	Month	3 Month	YTD	1 Year	5 Year
Standard & Poor's 500	1.02	11.82	2.11	2.11	-0.25
Russell 1000 Growth	-0.32	10.61	2.64	2.64	2.50
Russell 1000 Value	2.02	13.11	0.39	0.39	-2.64
Russell Mid Cap Growth	-1.50	11.24	-1.65	-1.65	2.44
Russell Mid Cap Value	1.25	13.37	-1.38	-1.38	0.04
Russell 2000 Growth	-0.22	14.99	-2.91	-2.91	2.09
Russell 2000 Value	1.57	15.97	-5.50	-5.50	-1.87

International Equity Market Indices

	Month	3 Month	YTD	1 Year	5 Year
MSCI EAFE	-0.94	3.38	-11.73	-11.73	-4.26
MSCI ACWI ex-U.S.	-1.10	3.77	-13.33	-13.33	-2.48
MSCI Emerging Markets	-1.20	4.45	-18.17	-18.17	2.70

Global Fixed Income Indices

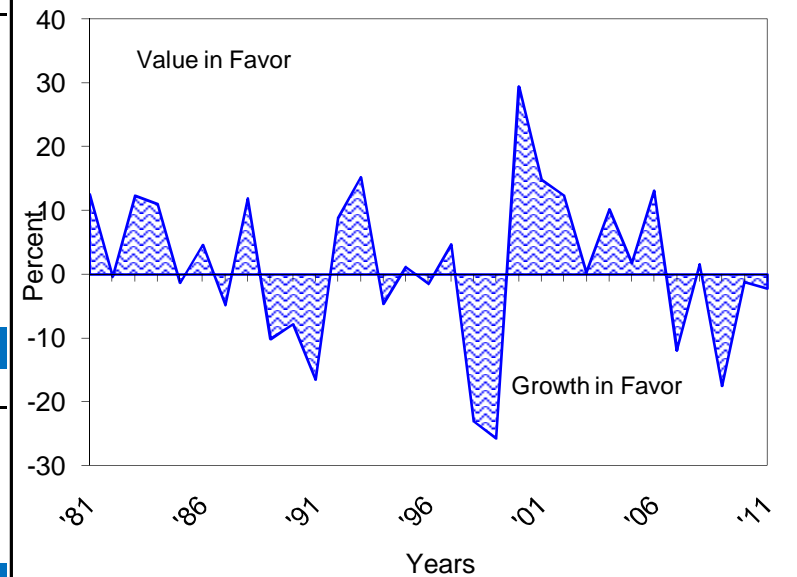
	Month	3 Month	YTD	1 Year	5 Year
Barclays U.S. Treasury	0.97	0.89	9.82	9.82	6.81
Barclays Aggregate	1.10	1.12	7.84	7.84	6.50
Barclays U.S. Corp. High Yield	2.66	6.46	4.98	4.98	7.54
Barclays Global Aggregate ex-U.S.	0.39	-0.36	4.36	4.36	6.42

Market Valuations: Current P/E vs. 5-Yr Avg. P/E

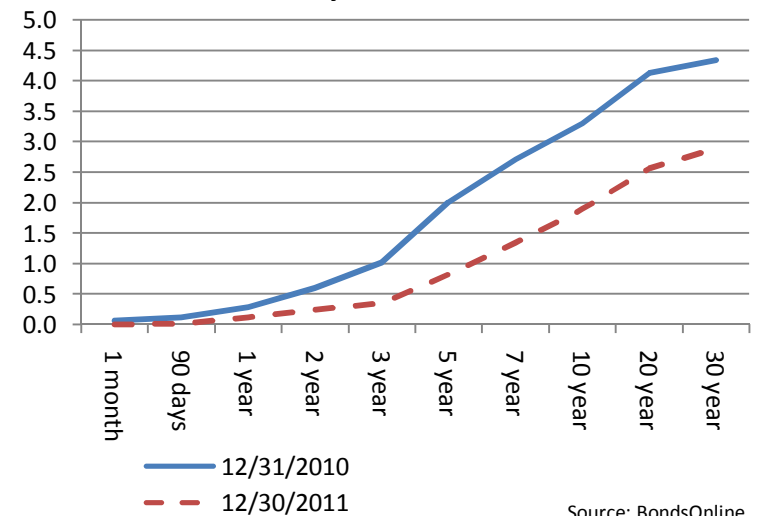
Index	Current	5-Yr Avg
Russell 1000	14.1	15.2
Russell 1000 Growth	15.6	17.0
Russell 1000 Value	12.7	13.5
Russell Mid Cap	15.9	16.3
Russell Mid Cap Growth	18.1	18.1
Russell Mid Cap Value	14.2	14.5
Russell 2000	16.9	16.9
Russell 2000 Growth	19.3	18.9
Russell 2000 Value	15.0	15.2

Source: Russell Investments (Current Earnings = Trailing 12 months)

Large Cap Value vs. Large Cap Growth



Treasury Yield Curve



Source: BondsOnline

U.S. Economic Monthly Update: November 2011

Economic Growth	Indicator	Most Recent	Prior Month	1-Yr Change	Comments
Real GDP (Quarter/Quarter change) ¹	Coincident	1.8%	2.0%	1.5%	Final estimate is below analysts' forecast of 2.0%
Employment					
Unemployment Rate	Lagging	8.6%	9.0%	-1.2%	Lower than analysts' forecast of 9.0%
Total Non-Farm Payrolls (thousands)	Lagging	131,708	131,588	1.2%	+120k below analysts' forecast of +131k
4 Week Avg. Initial Jobless Claims ²	Leading	375,000	380,250	-10.7%	Downtrend signifies improvement in the labor market
Consumer					
Retail Store Sales (M/M change)	Coincident	0.2%	0.5%	6.7%	Lower than analysts' forecast of .5%
Consumer Confidence	Lagging	56.0	39.8	3.5%	Best reading since the U.S. debt rating cut in August
Personal Savings Rate (% of disposable income)	Lagging	3.5%	3.6%	-1.6%	The all time high of 14.6% was recorded in May 1975
Housing					
New Housing Permits (thousands, units)	Leading	681	653	20.7%	Driven by 13.9% increase in multi-family permits
New Housing Starts (thousands, units)	Leading	685	628	24.3%	Driven by a 25.3% increase in multi-family
New Home Sales (thousands, units)	Leading	315	307	9.8%	Driven by strong sales in the south
S&P Case-Shiller Housing Price Index (20 City)	Lagging	140.30	142.04	-3.4%	Second straight monthly decline
Manufacturing					
Capacity Utilization	Lagging	77.8%	78.0%	2.0%	Pre-recession peak: 81.6%, May 2007
Industrial Production Index	Coincident	94.83	95.04	3.7%	Pre-recession peak: 100.7, September 2007
ISM Manufacturing Composite Index	Leading	52.7	50.8	-9.5%	Above 50 indicates an expanding factory sector
Inflation Indicators					
Consumer Price Index (Month/Month change)	Leading	0.0%	---	3.4%	Energy fell 1.6%, Food rose .1%
Producer Price Index	Leading	0.3%	---	5.7%	Energy rose .1%, Food rose 1%
Commodities (as of December 30th)					
Thomson/Reuters CRB Index value (Commodities)	Leading	305.30	313.82	-8.3%	5-Year High: 473.52, 5-Year Low: 200.17
Oil (\$ per barrel)	Leading	\$99.06	\$100.50	8.4%	High for the year was \$113.73 in April
Gold	Leading	\$1,564	\$1,748	10.2%	High for the year was \$1,895 in August
Federal Government					
Total Public Debt (trillion) ³	---	\$14.79	\$14.34	9.1%	155% increase over the last 10 years
Treasury Budget (billion) (Deficit)/Surplus	---	(\$137.3)	(\$98.5)	-8.7%	
Exchange Rates (as of December 30th)					
					(\$ gain/decline)
U.S. Dollar/Euro (U.S. \$ = 1 Euro)	---	1.3155	1.3558	0.5%	
U.S. Dollar/British Pound (U.S. \$ = 1 Pound)	---	1.5587	1.5806	0.1%	
Canadian Dollar/U.S. Dollar (Canadian \$ = 1\$ U.S.)	---	1.0235	1.0248	1.5%	
Japanese Yen/U.S. Dollar (JPY = \$1 U.S.)	---	77.9670	77.5595	-6.6%	
Chinese Yuan/U.S. Dollar (Yuan = \$1 U.S.)	---	6.3482	6.3564	-4.5%	
Mexican Pesos/U.S. Dollar (Pesos = \$1 U.S.)	---	13.7746	13.6955	11.2%	

¹ Prior quarter ² Prior week ³ Prior quarter

Sources: Bloomberg, Econoday, Federal Reserve Bank of St. Louis, Financial Times

