

## 11/21/11 Weekly Equity Investment Briefing

### Weekly Recap

- S&P 500 returned -3.75% for week thru 11/18
  - o Financials: -5.55
  - o Staples: -1.33
  - o Discretionary: -4.03
  - o Healthcare: -3.58
  - o Energy: -5.69
  - o Industrials: -2.98
  - o Materials: -5.43
  - o Utilities: -2.04
  - o Technology: -3.63

### Events:

- Gauges of inflation remain subdued, with the core producer price index remaining unchanged m/m in October vs. estimates for an increase of 0.1%; the core consumer price index increased 0.1% m/m and was in line with expectations
- Retail sales excluding the volatile auto sector increased by 0.6% m/m in October vs. estimates for an increase of 0.2%
- Industrial production rose by 0.7% m/m in October vs. expectations for a gain of 0.4%; capacity utilization increased to 77.8% in October from 77.4% in the prior month
- Housing starts declined by 0.3% m/m in October vs. estimates for a decline of 7.3%; building permits were also better than expected
- Initial jobless claims of 388k were better than expected; leading indicators increased 0.9% m/m in October vs. expectations for an increase of 0.6%

### Market Outlook

- Updated 3Q GDP and housing data to be reported this week
- Economic events:
  - o 11/21: Existing Home Sales (-2.2% m/m expected for October)
  - o 11/22: 3Q GDP (2.5% q/q annualized expected)
  - o 11/23: Durable Goods (0.0% m/m ex transports expected for October)
  - o 11/23: Personal Income (0.3% m/m expected for October)
  - o 11/23: Personal Spending (0.3% m/m expected for October)

### Market Data & Assessment

- All interest rate factors are positive in our Defensive Equity Model, all fundamental factors are currently positive, and 7 of our 8 technical factors are negative
- S&P 500: 1,194
  - o 50 DMA: 1,208
  - o 200 DMA: 1,269

**Past performance is not a guarantee of future results.** Opinions and forecasts regarding sectors, industries, companies, countries and/or themes, and portfolio composition and holdings, are all subject to change at any time, based on market and other conditions, and should not be construed as a recommendation of any specific security, industry, or sector.