

WEEKLY MARKET SNAPSHOT – 05/31/13

BOND MARKET AVERAGES

	Index Level			% Total Returns		
	5/31/13	5/24/13	12/31/12	Last Week	YTD	2012
Barclays U.S. Bond Mkt Aggregate	1828	1840	1844	-0.7%	-0.9%	4.2%
Barclays Global Ag Bonds ex USD	448	449	475	-0.2%	-5.7%	4.1%
Barclays U.S. Credit	2422	2448	2441	-1.1%	-0.8%	9.4%
Barclays High Yield Bonds	1534	1545	1473	-0.8%	4.1%	15.8%
Merrill Lynch 3-Month T-Bills	689	689	689	0.0%	0.0%	0.1%
MOVE - Rate Volatility - Merrill Lynch	80	65	59	22.8%	34.7%	-34.8%

CURRENCIES

	5/31/13	5/24/13	12/31/12	Last Week	YTD	2012
Euro (US\$ per Euro)	1.300	1.293	1.319	-0.5%	1.5%	-1.8%
Yen per US\$	100.5	101.3	86.8	-0.8%	15.8%	12.8%
Pound Sterling (US\$ per Pound)	1.520	1.513	1.626	-0.5%	7.0%	-4.4%
Swiss Franc per US\$	0.955	0.962	0.915	-0.7%	4.3%	-2.4%
Canadian \$ per US\$	1.038	1.032	0.992	0.6%	4.6%	-2.9%
Chinese Renminbi per US\$	6.135	6.133	6.231	0.0%	-1.5%	-1.0%

COMMODITIES

	5/31/13	5/24/13	12/31/12	Last Week	YTD	2012
Gold - US\$ per ounce	1393	1387	1676	0.4%	-16.9%	7.0%
Copper - US\$ per pound	3.29	3.29	3.65	0.0%	-9.9%	6.3%
Corn - US\$ per 5000 bushels	662	657	698	0.7%	-5.2%	8.0%
Wheat - US\$ per 5000 bushels	706	698	778	1.1%	-9.3%	19.2%
Crude Oil - US\$ per barrel	91.97	94.15	91.82	-2.3%	0.2%	-7.1%
Unleaded Gasoline - US\$ per gallon	2.78	2.84	2.81	-2.1%	-1.2%	4.7%
Heating Oil - US\$ per gallon	2.79	2.86	3.05	-2.3%	-8.3%	3.8%
Natural Gas - US\$ per MM BTU	3.98	4.24	3.35	-6.0%	18.9%	12.1%

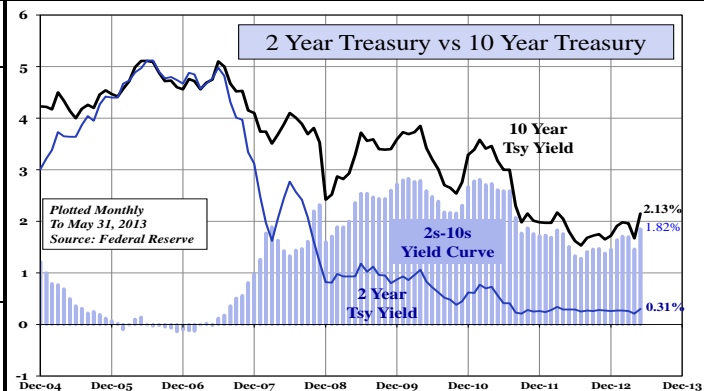
INTEREST RATES

	Treasury Yields			TIPS Yields		
	5/31/13	5/24/13	12/31/12	5/31/13	5/24/13	12/31/12
2-Year Treasury.....	0.29%	0.25%	0.25%	2-Year TIPS.....	-1.07%	-1.13%
5-Year Treasury.....	1.02%	0.89%	0.72%	5-Year TIPS.....	-0.90%	-1.08%
10-Year Treasury.....	2.13%	2.01%	1.76%	10-Year TIPS.....	-0.11%	-0.30%
30-Year Treasury.....	3.28%	3.17%	2.95%	30-Year TIPS.....	0.94%	0.79%

	Yield Curves			BreakEven Inflation		
	5/31/13	5/24/13	12/31/12	5/31/13	5/24/13	12/31/12
3mo T-bill – 2yr Tsy.....	0.27%	0.21%	0.21%	2-Year BE.....	1.33%	1.36%
2yr Tsy – 5yr Tsy.....	0.72%	0.64%	0.47%	5-Year BE.....	1.90%	1.96%
2yr Tsy – 10yr Tsy.....	1.83%	1.76%	1.51%	10-Year BE.....	2.19%	2.25%
10yr Tsy – 30yr Tsy.....	1.15%	1.16%	1.19%	30-Year BE.....	2.32%	2.36%

Sources – Interest rates, commodities prices and FX rates, Federal Reserve, CBOE and Bloomberg; Dow Jones Industrial Average, S&P Dow Jones Indexes; S&P 500, 1500 & Sector total return indexes, Standard & Poor's; MSCI total return indexes, Morgan Stanley Capital International; Bond Market Averages, Barclays; 3-Month T-Bill returns, Merrill Lynch. **Notes** – Copyright © 2013 by Wright Investors' Service, Inc. The views expressed in this report reflect those of Wright Investors' Service, Inc. and are subject to change. Statements and opinions therein are based on sources of information believed to be accurate and reliable, but Wright Investors' Service, Inc. makes no representations or guarantees as to the accuracy or completeness thereof. These views should not be relied upon as investment advice. **Past Performance does not guarantee future results.**

WEEKLY MARKET COMMENT (cont.)



While consumer sentiment registered its highest reading since 2007 this past month, all is not well with the sector that represents 70% of the U.S. economy. Nominal-dollar spending by U.S. consumers declined 0.1% in April, the weakest showing in 11 months, despite a 0.5% increase in wages and salaries for the month, as higher taxes ate into disposable personal incomes (evidence of the aforementioned fiscal drag). Inflation, as measured by the PCE deflator, fell to 0.7% on a year-on-year basis, while the core PCE deflator registered a record low 1.1% rate. The onus would appear to be on the inflation hawks at the Fed to show evidence of any near-term inflation risks. In other words, do not expect the Fed to begin tapering bond buying in its QE program, particularly if next Friday's employment report comes up a dud.

With bond yields trending higher this past week, there was broad weakness in some of the higher dividend yielding sectors of the stock market. REITs fell sharply, and the biggest price declines occurred in consumer staples (-4.0%), telecoms (-5.0%) and utilities (-3.1%), sectors noted more for their yields than for their growth. Along with telecoms (+6%) and utilities (+7%), the odd sector couple of technology (+10%) and materials (+6%) show the skimpiest year-to-date gains after this past week's mixed markets; financials (+21%), health care (+20%) and consumer discretionary (+18%) boast the best Y-T-D gains.