

WEEKLY MARKET SNAPSHOT – 05/31/13

	Index Level			% Total Returns		
	5/31/13	5/24/13	12/31/12	Last Week	YTD	2012
STOCK MARKET AVERAGES						
Dow Jones Industrial Average	15116	15303	13104	-1.2%	16.7%	10.2%
S&P 500	1631	1650	1426	-1.1%	15.4%	16.0%
Nasdaq Composite	3456	3459	3020	-0.1%	15.1%	17.5%
S&P 400 MidCaps	1184	1188	1020	-0.3%	16.7%	17.9%
S&P 600 SmallCaps	552	553	477	-0.2%	16.4%	16.3%
MSCI - Europe ex UK (US\$)	4859	4879	4491	-0.4%	8.2%	21.3%
MSCI - UK (US\$)	5420	5472	5124	-0.9%	5.8%	15.3%
MSCI - Pacific ex Japan (US\$)	4959	5070	4892	-2.2%	1.4%	24.6%
MSCI - Japan (US\$)	4413	4639	3852	-4.9%	14.5%	8.2%
MSCI - Emerging Markets (US\$)	407	414	421	-1.6%	-3.4%	18.2%
MSCI - China (US\$)	360	360	377	0.0%	-4.3%	22.7%
MSCI - Developed World ex US (US\$)	4560	4634	4261	-1.6%	7.0%	16.4%
S&P 500 MARKET SECTORS						
Information Technology	569	566	516	0.6%	10.4%	14.8%
Telecoms	297	313	274	-5.0%	8.5%	18.3%
Consumer Discretionary	565	572	476	-1.2%	18.8%	23.9%
Industrials	540	542	468	-0.5%	15.2%	15.3%
Materials	382	384	355	-0.6%	7.5%	15.0%
Financials	400	398	329	0.5%	21.5%	28.8%
Energy	903	915	806	-1.4%	12.0%	4.6%
Consumer Staples	634	660	549	-3.9%	15.4%	10.8%
Health Care	760	776	627	-2.1%	21.1%	17.9%
Utilities	410	422	376	-3.0%	8.9%	1.3%

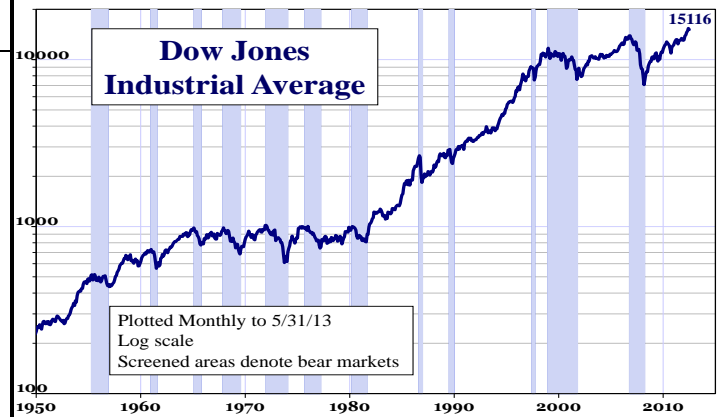
STYLE RETURNS - S&P 1500

	Last Week – 05/31/13			Year-To-Date		
	Value	Core	Growth	Value	Core	Growth
S&P 500	-0.9%	-1.1%	-1.3%	16.8%	15.4%	14.0%
S&P 400	0.0%	-0.3%	-0.5%	17.4%	16.7%	16.1%
S&P 600	-0.3%	-0.2%	-0.1%	16.6%	16.4%	16.1%

	S&P 500		Price/Earnings		Indicated		CBOE SPX	
	VALUATIONS	Next 12 Months	Last 12 Months	Dividend Yield	Volatility (VIX)	5/31/13	5/31/13	
Current	14.8	5/31/13	15.9	2.1%	16.3%	5/31/13	16.3%	
Cycle High	18	12/24/09	24	3.5%	49.7%	3/9/09	49.7%	
Cycle Low	11	10/3/11	10	1.8%	11.3%	12/29/10	11.3%	

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.**
Sources – Interest rates, commodities prices and foreign exchange 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.

WEEKLY MARKET COMMENT



In a week where the Dow Jones Industrials hit an all-time high on Tuesday, one may seem the worrywart to be concerned over the trifling 2% spill that stocks took over the rest of the week. After all, even after Friday's 200+-point decline, the DJIA is still up a not-so-trivial 1.9% for May and 15.3% to date in 2013. Still, amid signs of global financial instability in evidence in recent weeks – Tokyo's recent jumpiness, gold's 18% tumble since its January high, flash-crash-like volatility in the shares of Anadarko Petroleum and a few other individual stocks, and May's 60% increase in interest rate volatility – perhaps there are some things for investors to worry about.

Start with the backup in Treasury bond yields. Real economic activity remains less than robust and yet, before a late-day retreat on Friday, 10-year Treasury bond yields were close to 50 basis points higher than when the Federal Reserve announced its QE3 program last September. Yields on high-yield securities and for sovereign debt around the periphery of Europe have risen with a vengeance the past few weeks. One knew that interest rates could not stay low forever, but is the economy sound enough to shrug off higher interest rates? Surely, in the scheme of things, rates are still extraordinarily low, but the drag that U.S. fiscal policy is exerting on the economy may need to be offset by an aggressively easy monetary policy. With so much riding on the recovery of housing, the backup in mortgage rates is at least mildly troubling.