

# PFM WEEKLY MARKET UPDATE

January 23rd, 2009

*Shana Orczyk, Research Analyst*

## **Performance of Our Major Holdings**

<b>Name</b>	<b>Ticker</b>	<b>1 Wk</b>	<b>MTD</b>	<b>QTD</b>	<b>YTD</b>
<i>Russell 3000 Index</i>		-2.46	-7.77	-7.77	-7.77
BlackRock Equity Dividend	MADVX	-2.15	-7.25	-7.25	-7.25
Fidelity Advisor New Insights	FINSX	-1.25	-6.45	-6.45	-6.45
Fidelity Contrafund	FCNTX	-1.42	-6.67	-6.67	-6.67
Janus Adviser Mid Cap Growth	JDMAX	-2.08	-5.20	-5.20	-5.20
iShares Russell Midcap Value Index	IWS	-3.84	-8.38	-8.38	-8.38
Eaton Vance Tax-Managed Small-Cap	ETMGX	-3.07	-6.05	-6.05	-6.05
Allianz NFJ Small Cap Value	PNVDX	-3.06	-7.33	-7.33	-7.33
Royce Low Priced Stock	RYLPX	-2.17	-6.66	-6.66	-6.66
DWS Disciplined Market Neutral	DDMSX	1.39	0.32	0.32	0.32
Gateway	GATEX	-0.55	-2.98	-2.98	-2.98
Rydex Managed Futures Strategy	RYMTX	0.43	0.18	0.18	0.18
<i>MSCI EAFE Index</i>		-7.42	-13.55	-13.55	-13.55
Artio International Equity I	JIEIX	-6.06	-12.94	-12.94	-12.94
Artio International Equity II	JETIX	-5.46	-12.53	-12.53	-12.53
BlackRock International Opportunities	BISIX	-4.50	-11.38	-11.38	-11.38
Lazard Emerging Markets Equity	LZEMX	-4.53	-10.94	-10.94	-10.94
<i>BarCap Global Aggregate Bond Index</i>		-2.09	-3.42	-3.42	-3.42
iShares Barclays Aggregate Bond	AGG	-1.07	-0.66	-0.66	-0.66
Templeton Global Bond	TGBAX	0.98	1.59	1.59	1.59
Fidelity Advisor Intermediate Municipal Income	FZIIX	-1.03	1.99	1.99	1.99
Nuveen High Yield Bond	NHYRX	-0.89	2.29	2.29	2.29

## **Snapshot of the Week that Was**

The broad markets continued their slow decline on the heels of several negative economic announcements. The U.S. domestic markets outperformed their international counterparts as the Russell 3000 outperformed the MSCI EAFE Index by 4.96%. On the domestic front, large cap stocks outperformed their small cap counterparts by 2.45%, and growth outperformed value by 1.22%. On the fixed income side, the markets continued to pull back with the Barclays Global Aggregate Bond Index declining 2.09%. In the U.S., high yield bonds edged out investment bonds by 0.24%.

### Economic Headlines

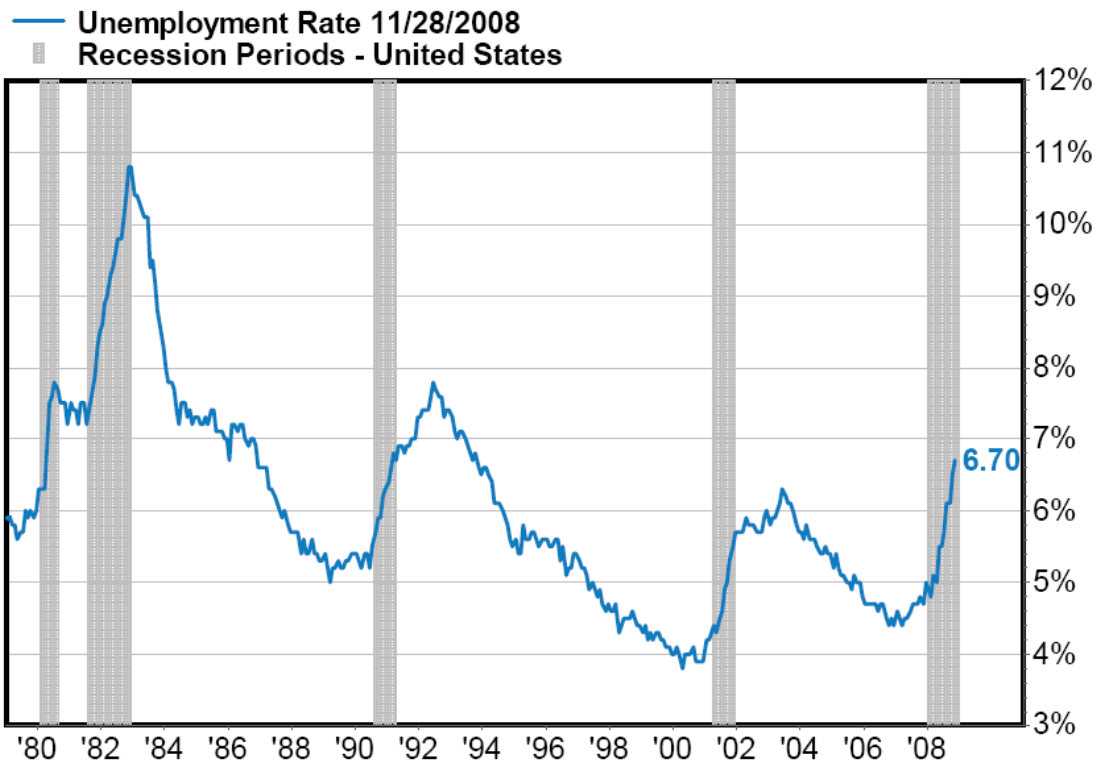
The biggest economic news of the week was the rise in jobless claims, which jumped to their highest level since 1982. The housing market continued to struggle with housing starts dropping 15.5% in December.

### A Look Ahead

The upcoming week includes some very important economic announcements. On January 26<sup>th</sup> December existing home sales will be reported. Consumer confidence numbers will be announced on January 27<sup>th</sup>. On January 30<sup>th</sup> 4<sup>th</sup> quarter GDP will be announced. The market is expecting to see a GDP contraction of almost 6%, which is significant, but many economists suggest that it will likely improve in the first quarter of this year. The last time the U.S. saw a GDP contraction of greater than 5% was in 1982.

### Fun Fact of the Week

One of the biggest concerns in today's economic downturn are the unemployment numbers. However, unemployment is a lagging indicator, and tends to peak well after the economy recovers. The chart shown below illustrates periods of recession in the U.S. and the corresponding peak in unemployment.



Source: FactSet Research, Fidelity Investments