

# PFM WEEKLY MARKET UPDATE

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## **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>		-0.68	-8.39	-8.39	-8.39
BlackRock Equity Dividend	MADVX	-0.49	-7.70	-7.70	-7.70
Fidelity Advisor New Insights	FINSX	1.03	-5.49	-5.49	-5.49
Fidelity Contrafund	FCNTX	1.09	-5.66	-5.66	-5.66
Janus Adviser Mid Cap Growth	JDMAX	0.18	-5.03	-5.03	-5.03
iShares Russell Midcap Value Index	IWS	-2.10	-10.31	-10.31	-10.31
Eaton Vance Tax-Managed Small-Cap	ETMGX	-0.90	-6.90	-6.90	-6.90
Allianz NFJ Small Cap Value	PNVDX	-0.83	-8.10	-8.10	-8.10
Royce Low Priced Stock	RYLPX	-0.35	-6.99	-6.99	-6.99
DWS Disciplined Market Neutral	DDMSX	0.95	1.27	1.27	1.27
The Gateway Fund	GATEX	-0.90	-3.85	-3.85	-3.85
Rydex Managed Futures Strategy	RYMTX	-0.11	0.07	0.07	0.07
<i>MSCI EAFE Index</i>		4.24	-9.88	-9.88	-9.88
Artio International Equity I	JIEIX	1.50	-11.64	-11.64	-11.64
Artio International Equity II	JETIX	1.62	-11.11	-11.11	-11.11
BlackRock International Opportunities	BISIX	0.67	-10.78	-10.78	-10.78
Lazard Emerging Markets Equity	LZEMX	1.86	-9.28	-9.28	-9.28
<i>BarCap Global Aggregate Bond Index</i>		0.16	-3.27	-3.27	-3.27
iShares Barclays Aggregate Bond	AGG	-0.45	-1.11	-1.11	-1.11
Templeton Global Bond A	TGBAX	-0.71	0.87	0.87	0.87
Fidelity Advisor Intermediate Municipal Income	FZIIX	0.48	2.49	2.49	2.49
Nuveen High Yield Bond	NHYRX	0.56	2.87	2.87	2.87

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

The broad markets continued their slow decline on the heels of several negative economic announcements. The international markets outperformed their U.S. domestic counterparts as the MSCI EAFE Index outperformed the Russell 3000 by 4.92%. On the domestic front, small cap stocks edged their large cap counterparts by 0.57%, and growth outperformed value by 0.54%. On the fixed income side, the markets turned positive with the Barclays Global Aggregate Bond Index gaining 0.16%. In the U.S., high yield bonds continued to edge out investment grade bonds by 1.61%.

### **Economic Headlines**

The biggest economic news of the week was GDP, which fell 3.8% in the fourth quarter, much better than the market expectation of a 5.5% decline, but still the largest decline in 26 years. Economists are now concerned that the inventory build-up that helped keep GDP above expectations will now drag on economic growth for a longer period of time than first expected. Another poor piece of economic news was that consumer confidence fell further, setting a new all-time low. On a more positive note, the supply of new unsold homes declined by 10.1% in December, meaning overall inventories are no longer growing and further exasperating the real estate downturn.

### **A Look Ahead**

The upcoming week of economic announcements should be quite busy. On February 2<sup>nd</sup> the personal income and savings rates for December will be reported. On the 3<sup>rd</sup> pending home sales will be announced. On February 5<sup>th</sup> and 6<sup>th</sup> several important employment announcements will be made, including initial claims, productivity, average workweek, hourly wages, non-farm payrolls and the January unemployment rate, which should exceed 7.5%.

### **Fun Fact of the Week**

While the entire staff at Peak made it into work today, it is a fact that the Monday after the Superbowl is the most common day to call in sick. One study in 2008 suggested that the number of workers that called out sick after the Superbowl exceeded 7 million. While this year's game was definitely entertaining, I have a feeling the lack of a big market team may cause that number to fall a bit. Of course I'm completely biased. New England Patriots Superbowl Champs in 2010!