

# PFM WEEKLY MARKET UPDATE

November 7th, 2008

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	<b>Ticker</b>	<b>1 Wk</b>	<b>MTD</b>	<b>QTD</b>	<b>YTD</b>
<i>Russell 3000 Index</i>		-4.09	-4.09	-21.10	-35.94
BlackRock Equity Dividend	MADVX	-2.76	-2.76	-16.92	-30.69
Fidelity Advisor New Insights	FINSX	-3.06	-3.06	-18.19	-35.80
Fidelity Contrafund	FCNTX	-3.01	-3.01	-18.37	-35.54
Janus Adviser Mid Cap Growth	JDMAX	-4.55	-4.55	-24.56	-39.40
iShares Russell Midcap Value Index	IWS	-4.52	-4.52	-26.16	-37.55
Eaton Vance Tax-Managed Small Cap	ETMGX	-5.50	-5.50	-28.29	-36.44
Allianz NFJ Small Cap Value	PNVDX	-4.62	-4.62	-21.81	-27.19
Royce Low-Priced Stock	RYLPX	-4.41	-4.41	-28.66	-38.36
DWS Disciplined Market Neutral	DDMSX	0.00	0.00	1.39	3.48
Gateway	GATEX	-2.45	-2.45	-11.40	-14.16
Morgan Stanley FX Alpha Strategy	FXADX	0.17	0.17	-0.99	0.03
<i>MSCI EAFE Index</i>		0.22	0.22	-20.06	-44.90
Artio International Equity	JIEIX	0.91	0.91	-17.18	-43.04
Artio International Equity II	JETIX	0.29	0.29	-16.86	-40.35
BlackRock International Opportunities	BISIX	0.80	0.80	-22.62	-44.92
Lazard Emerging Markets Equity	LZEMX	0.00	0.00	-29.30	-46.98
<i>LB Global Aggregate Bond Index</i>		1.36	1.36	-2.38	-2.81
PIMCO Total Return	PTTRX	2.14	2.14	1.24	1.10
Templeton Global Bond	TGBAX	0.91	0.91	-0.47	1.53

\*Performance of our Major Holdings

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

The month of November started a bit rocky with the Russell 3000 Index declining 4.09%. Domestic U.S. markets struggled versus their international counterparts as the MSCI EAFE Index outperformed the Russell 3000 by 4.31%. On the domestic front, large cap stocks outperformed small cap stocks by 1.93% and value stocks slightly outperformed growth by 0.02%. On the fixed income side, the markets seemed to stabilize with the Lehman Brothers Global Aggregate Bond Index up 1.36%. In the U.S., investment grade bonds outperformed high yield bonds by 0.76%.

### **Economic Headlines**

The biggest news of the week was the election of the 44<sup>th</sup> president of the United States. Senator Barack Obama won the 2008 election by a significant margin, becoming the first African American president of the United States, and returned the Democratic Party to the White House. With the election over, the markets focused on economic indicators, which continued to reflect the recessionary environment. The biggest news was the jump in the U.S. unemployment rate from 6.1% in September to 6.5% in October, and non-farm payroll numbers declined by 240,000. In addition to the unemployment struggles, the ISM manufacturing index fell to its lowest levels since 1982. There was one piece of positive data, non-farm business productivity rose to 1.1%.

### **A Look Ahead**

On November 14<sup>th</sup> retail sales will be reported for the month of October, and all indications suggest that this number will be one of the worst months on record. The outlook for the holidays continues to look bleak for retailers. Also on November 14<sup>th</sup>, the Michigan Consumer Sentiment Survey will publish preliminary numbers for November.

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

On January 20<sup>th</sup> Barack Obama will be sworn in as the 44<sup>th</sup> President of the United States. Three weeks later, February 9, 2009, will mark Abraham Lincoln's 200<sup>th</sup> birthday. It's a sign of great progress that in such a short period of time, approximately 147 years, that civil rights movement has accomplished so much.