

General Market Overview

July marks the busiest month for second-quarter earnings announcements, with financials kicking off the season. Year-to-date, all major indices are down, which is largely due to the sell off since early May (see 3 Month figures below), however analysts are estimating modest earnings reports for the second-quarter. Over the past three months, while equity markets pulled back, bond prices rose, as the yield on the 10-year T-Note fell 87 basis points. Employment figures remain weak, and consumer confidence in America fell sharply from May to June, however housing prices across 20 large cities increased by 3.8%.

Source: Economist.com

Major Indices and Rates

Index	3 Month	1 Year	6/30/2010
S&P 500	-11.86%	12.1%	-7.6%
Dow Jones	-9.97%	15.7%	-6.3%
Nasdaq	-12.04%	14.9%	-7.0%
Russell 2000	-10.19%	19.9%	-2.5%

Asset	6/30/10	3/31/10	12/31/09	6/30/09
10yr T-Note*	2.97	3.84	3.85	3.53
Gold	1,244.00	1,115.50	1,104.00	934.50
Crude Oil	75.93	83.45	79.39	69.82

Source: eia.doe.gov, ustreas.gov, lbma.org.uk, finance.yahoo.com *Yield

Mutual Fund Net New Cash Flows (see fig. 1)

Over the past two-and-a-half years, investors have seen some of the worst and best performing markets ever. So how have investors reacted? In 2008, investors fled equity markets and pumped funds into money markets as a safe-haven. However throughout 2009 and into 2010, as money market rates remained unattractive, dollars were pulled out of money market funds and filtered into bond funds to earn a better yield, or were pulled out of funds altogether.

Source: sifma.org

Economic Indicators and Announcements

- Last week the June unemployment rate shifted down to 9.5%. Of the 14.6 million persons unemployed:
 - 7.8% are adult women
 - 9.9% are adult men
 - 25.7% are teenagers
 - 45.5% are long-term (27 weeks or more)

The figures above reflect very little change in the unemployment situation in the U.S. indicating the job market has yet to recover.

- Inflation indicators PPI and CPI will be announced July 15th and 16th, respectively.

Source: bls.gov

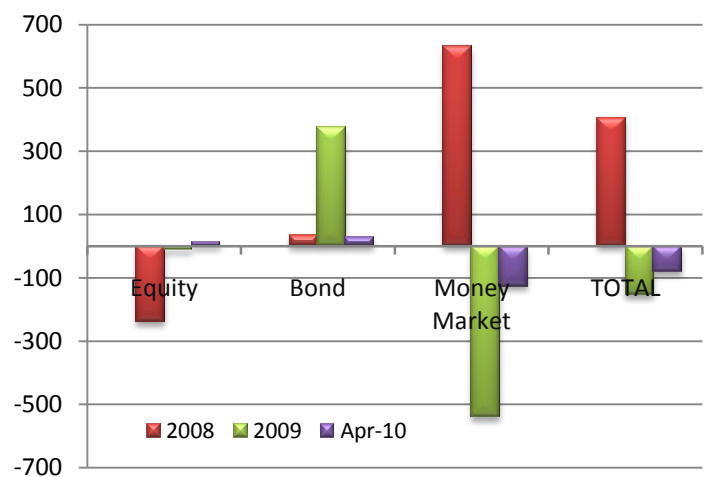
Earnings Calendar

Date	Company	Sym.	Price*	Est.
7/12	A.O.Smith	AOS	48.03	0.91
7/12	Associated Banc-Corp	ASBC	11.88	(0.15)
7/12	Goldman Sach	GS	131.46	4.10
7/12	M&I Bank	MI	6.93	(0.26)
7/12	MGIC Investment Corp	MTG	7.08	(1.00)
7/15	Google	GOOG	434.50	6.55
7/15	JPMorgan Chase	JPM	36.13	0.79
7/16	Bank of America Corp	BAC	13.87	0.23
7/16	Citigroup	C	3.73	0.06
7/16	General Electric	GE	13.82	0.27
7/19	Bucyrus Int'l	BUCY	48.22	0.98
7/19	Johnson Controls	JCI	26.72	0.54
7/19	Manpower	MAN	42.86	0.22
7/19	Pfizer	PFE	14.19	0.52
7/19	The Coca-Cola Co.	KO	50.08	1.03
7/20	Harley Davidson	HOG	21.40	0.39
7/20	Johnson&Johnson	JNJ	58.76	1.23
7/20	Yahoo,Inc.	YHOO	14.07	0.14
7/21	Starbucks	SBUX	23.56	0.29
7/22	AT&T	T	24.26	0.58
7/22	Badger Meter	BMI	38.14	0.49

Source: finance.yahoo.com *As of 7/6/2010

fig. 1

Mfund Cash Flows



Quote of the Week

"The herd instinct among forecasters makes sheep look like independent thinkers."

-Edgar R. Fiedler

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