

Monthly Report

World By Numbers

Standard & Poor's Global Stock Market Review

- ❑ Global markets rebounded in December, with 19 of the 21 emerging markets positive, and 22 of the 25 developed markets posting gains (declines were Ireland -0.26%, Canada -1.81%, and the United Kingdom -2.91%). For the year, all countries posted losses with the global return down 44.01% (-47.62% ex/U.S.). For the year, however, all 46 markets lost a combined US\$ 17.0 Trillion. Among the more notable decliners were Russia down 73.67% as well as the other three BRIC countries, that sank on the new reality of lower expected growth: Brazil at -57.35%; India posting -64.51%; and China down 53.21%. Morocco was the best performer declining -15.85%, with Japan posting the second best return of -29.22% due partially to its currency strength. The United States did better than most (placing 5th out of the 46) declining 38.68%.
- ❑ Sector membership differentiated market performance in 2008, with both Financials and Materials sectors losing over half their value (-53.77%, and -52.90%, respectively). Telecommunications, Utilities, and Consumer Staples declined 10.39%, 11.45%, and 13.84% respectively. Even after its massive loss, Financials continue to remain the dominant sector, comprising over 20% of the BMI market value.
- ❑ Central banks escalated their actions in December. What started on October 8th as unprecedented unified rate cuts (U.S., BoE, and ECB), continued with individual cuts throughout November, and became an almost common event in December. The interwoven global markets (credit, trade, currency) forced many countries to take action, which while in global unison, is in their own best interest. December opened with Austria's 100 bps cut (4.00%), followed by reductions by the ECB of 75 bps (2.50%), the Riksbank of 175 bps (2.00%), New Zealand's 150 bps (5.00%), and Canada's 75 bps (1.50%). Japan's exports declined 13.5%, with imports increasing 11.2% as the BoJ reduced its rate another 20 bps to 0.10%. The U.S. set a 0%-0.25% target range, leaving little rate room for later. By late December, China, for the 11th time this year, cut its rate (27 bps), making December one of the busiest months in recent history. S&P expects that the U.S. will maintain its low rates throughout 2009, demonstrating its commitment, and instilling some degree of stability into the situation.

World By Numbers is a snapshot of the global market, as measured by the S&P Global Equity Indices. It seeks to highlight those statistical factors that have impacted market performance over the course of the month.

World By Numbers is a product of the Standard & Poor's Index Services Group by Senior Index Analyst, Howard Silverblatt.

Report and data as of December 31, 2008.

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- In general, December's economic scorecard was worse than the markets' performance, which was positive (domestic and global). Sales of existing homes fell 8.6% in November, while new ones declined 2.9%. Unsold inventory of existing homes stood at 11.2 months, with new homes at an 11.5 month supply. In general, it is believed that it will take additional price reductions to bring down inventories, at which time, new construction can begin. The S&P/Case-Shiller Home Price Indices continued to post negative returns (October data results), with all 20 metropolitan areas in the red. While the 10-City is off 25.0% from its June 2006 high, it remains 70.6% above its 1999 close (compared to -37% for the S&P 500 Index). The only positive home front news was that rates for both 30-year (5.4%) and 15-year (5.2%) mortgages continued to decline, with applications increasing, but mostly for refis by those who are over qualified. Unemployment claims increased, scoring a 26 year high, as layoffs continued to be announced, with many companies giving 60 day notices, putting those actual claims and unemployment numbers yet to be posted to the official tally. Consumer spending continued down -0.6% in December (five straight months) even as consumer prices declined 1.7%. S&P Economists believe unemployment will continue to grow, peaking near the end of 2009, and close the year at 8.3%. Q4 GDP that was expected to decline 4.6% has been upgraded in severity to a 6% decline: 2009 is expected to decline 1.2% with the first half negative and then turning positive in the second half. S&P Economists expect core prices to rise 1.3%, but full prices (including oil and food) are expected to decline 1.5% for the year. The variance may be magnified when viewed from cost of living adjustments in many collective work contracts.

 - Interest rates were down for the month. Shorter-term rates reflected not just the continued flight to safety, but the uncertainty over the markets. The 10-year Treasury continued to set a new low (dates back to 1962), closing down 71 points at 2.22%, on top of November's 103 point decline (November close of 2.93%, October of 3.96% and year-end 2007 of 4.02%). Much was made of the fact that dividends (of paying issues in the S&P 500, which average 3.73%) were averaging higher than the 10-year note. The 30-year Treasury was equally down, declining 81 points to close at 2.68% (3.49% for November, 4.37% for October, 4.46% at year-end). The Euro closed at 1.3966 (1.22708, 1.460), the Pound closed at 1.4578 (1.5413, 1.9858), with the Yen at 0.01102 (0.01014, 0.00840 [90.73 vs. 98.65 vs. 111.58, reverse reference, which is usually used]). Commodity prices were mixed. Oil and Natural Gas were down for the month (-19%, -7%) and the year (-58%, -18%), Agriculture rebounded (+3%) but remained down a third for the year (-32%). Gold was up, ending 2008 at US\$ 84.30 (US\$ 819.00, US\$ 838.00). Oil continued down, and reached the mid-US\$ 30s, to close down at US\$ 44.60 (US\$ 54.43, US\$ 95.81) which is off 70% from the past summer. The average US pump price continued to decline, and closed December at US\$ 1.653/gallon for regular, a drop of 12.6% for the month and a decline of 45.9% for the year (versus November's US\$ 1.892, US\$ 2.656 for October, and US\$ 3.053 in December 2007).

S&P Index Price Change

	DEC 2008	3-MONTH 9/30/2008	1-YEAR 12/31/2007	2-YEAR 12/31/2006	3-YEAR 12/31/2005	FROM 10/9/2002	FROM 3/24/2000	10-YEARS ANNUALIZED
S&P 500	0.78%	-22.56%	-38.49%	-36.31%	-27.64%	16.28%	-40.87%	-3.03%
Consumer Discretionary	5.13%	-23.43%	-34.72%	-44.07%	-34.44%	0.90%	-40.64%	-3.47%
Consumer Staples	-0.77%	-13.54%	-17.66%	-8.10%	2.70%	19.24%	48.14%	-0.11%
Energy	-4.09%	-21.05%	-35.93%	-15.19%	3.65%	126.39%	84.54%	7.73%
Financials	-0.68%	-37.64%	-56.95%	-65.92%	-60.42%	-32.55%	-49.51%	-6.03%
Health Care	6.61%	-12.72%	-24.48%	-20.41%	-15.80%	3.82%	-3.37%	-1.77%
Industrials	0.57%	-24.66%	-41.52%	-35.78%	-28.70%	22.78%	-24.04%	-0.95%
Information Technology	1.68%	-25.99%	-43.68%	-34.94%	-29.93%	34.09%	-76.36%	-6.47%
Materials	-0.76%	-31.43%	-47.05%	-36.47%	-26.47%	34.16%	0.87%	0.56%
Telecommunication Svc	0.88%	-2.86%	-33.61%	-28.00%	-4.87%	36.12%	-64.71%	-8.61%
Utilities	-2.46%	-11.95%	-31.55%	-20.72%	-7.35%	91.45%	0.08%	-0.99%
S&P Asia 50	8.30%	-21.38%	-47.23%	-33.40%	-17.36%	67.49%	-3.20%	6.81%
S&P Europe 350	-3.34%	-21.10%	-44.51%	-44.26%	-35.08%	4.16%	-48.77%	-3.77%
S&P Global 1200	3.33%	-22.17%	-41.91%	-37.43%	-25.69%	31.92%	-33.26%	-1.74%
S&P LAC 40 (US\$)	3.57%	-35.45%	-50.84%	-27.74%	0.36%	280.76%	88.39%	14.06%
S&P TOPIX YEN	2.52%	-24.11%	-44.36%	-50.55%	-46.33%	-1.42%	-49.88%	6.95%
S&P/TSX 60	-3.78%	-23.40%	-32.99%	-27.05%	-14.64%	69.72%	-9.17%	3.72%

S&P Index Price Change

	2008	2007	2006	2005	2004	2003	2002	2001
S&P 500	-38.49%	3.53%	13.62%	3.00%	8.99%	26.38%	-23.37%	-13.04%
Consumer Discretionary	-34.72%	-14.32%	17.23%	-7.35%	12.14%	36.08%	-24.44%	1.95%
Consumer Staples	-17.66%	11.60%	11.76%	1.34%	6.04%	9.23%	-6.31%	-8.30%
Energy	-35.93%	32.38%	22.22%	29.14%	28.77%	22.39%	-13.33%	-12.28%
Financials	-56.95%	-20.84%	16.16%	3.72%	8.23%	27.92%	-16.42%	-10.53%
Health Care	-24.48%	5.39%	5.78%	4.85%	0.24%	13.31%	-19.97%	-12.94%
Industrials	-41.52%	9.83%	11.02%	0.35%	15.95%	29.73%	-27.57%	-7.00%
Information Technology	-43.68%	15.54%	7.70%	0.38%	2.13%	46.55%	-37.57%	-26.00%
Materials	-47.05%	19.98%	15.73%	2.15%	10.79%	34.77%	-7.71%	1.00%
Telecommunication Svc	-33.61%	8.45%	32.13%	-9.05%	15.98%	3.28%	-35.89%	-13.68%
Utilities	-31.55%	15.81%	16.87%	12.76%	19.60%	21.10%	-32.99%	-32.47%
S&P Asia 50	-47.23%	26.20%	24.08%	20.58%	17.15%	35.42%	-11.90%	-2.80%
S&P Europe 350	-44.51%	0.45%	16.46%	22.74%	8.70%	11.92%	-31.94%	-17.00%
S&P Global 1200	-41.91%	7.71%	18.75%	7.69%	12.53%	30.05%	-21.03%	-16.33%
S&P LAC 40 (US\$)	-50.84%	46.97%	38.89%	50.23%	34.13%	59.11%	-25.45%	-0.08%
S&P TOPIX YEN	-44.36%	-11.13%	8.53%	41.71%	8.16%	19.12%	-19.06%	-19.84%
S&P/TSX 60	-32.99%	8.85%	17.02%	23.99%	11.60%	22.93%	-15.68%	-16.30%

S&P BMI Global – sorted by 2008 results
December 31, 2008

BMI MEMBER	1-MONTH	3-MONTHS	6-MONTHS	12-MONTHS
Global	3.95%	-23.39%	-36.52%	-44.01%
Global Ex-U.S.	5.94%	-23.02%	-40.54%	-47.62%
Emerging	5.80%	-28.35%	-48.39%	-54.72%
Average	6.29%	-29.65%	-45.54%	-51.21%
Morocco	7.86%	-11.10%	-29.29%	-15.85%
Israel	2.88%	-23.29%	-35.97%	-34.68%
Chile	2.67%	-25.32%	-35.20%	-41.09%
South Africa	13.52%	-17.70%	-32.15%	-42.41%
Peru	12.05%	-20.23%	-44.71%	-42.68%
Malaysia	5.83%	-14.47%	-31.66%	-44.73%
Mexico	4.44%	-31.93%	-45.08%	-45.22%
Czech Republic	3.17%	-29.96%	-51.77%	-46.87%
Taiwan	5.31%	-23.08%	-45.59%	-48.91%
Thailand	15.11%	-26.60%	-44.37%	-50.71%
China	10.87%	-12.78%	-35.12%	-53.21%
Philippines	-0.91%	-28.51%	-28.48%	-55.47%
Egypt	12.54%	-34.35%	-54.07%	-55.89%
Argentina	1.55%	-41.30%	-65.66%	-56.20%
Brazil	0.36%	-38.11%	-61.45%	-57.35%
Poland	2.79%	-39.93%	-51.40%	-58.78%
Indonesia	20.49%	-40.91%	-57.16%	-62.30%
Turkey	5.86%	-37.73%	-38.80%	-62.48%
Hungary	3.03%	-46.46%	-57.31%	-62.50%
India	10.82%	-28.54%	-38.13%	-64.51%
Russia	-8.25%	-50.46%	-73.01%	-73.67%
Developed	3.77%	-22.89%	-35.10%	-42.72%
Developed Ex-U.S.	5.96%	-21.95%	-38.82%	-46.07%
Average	6.49%	-27.23%	-44.87%	-52.72%
Japan	8.07%	-7.79%	-24.58%	-29.22%
Switzerland	8.91%	-13.34%	-24.66%	-30.60%
United States	1.53%	-23.85%	-30.60%	-38.68%
Spain	12.17%	-17.54%	-33.24%	-42.83%
France	8.41%	-20.59%	-34.42%	-44.67%
Germany	13.17%	-20.97%	-37.97%	-47.64%
Canada	-1.81%	-34.05%	-49.47%	-49.04%
Netherlands	9.22%	-24.68%	-41.53%	-50.39%
United Kingdom	-2.91%	-27.72%	-43.26%	-50.86%
Denmark	2.86%	-29.19%	-48.27%	-50.99%

New Zealand	5.36%	-23.71%	-35.94%	-52.45%
Italy	7.22%	-23.89%	-40.91%	-52.60%
Singapore	7.54%	-28.92%	-47.28%	-52.95%
Sweden	6.11%	-26.95%	-44.19%	-53.18%
Portugal	11.04%	-20.49%	-36.27%	-53.48%
Hong Kong	5.14%	-21.22%	-40.28%	-53.88%
Australia	6.76%	-29.32%	-48.98%	-54.08%
South Korea	20.86%	-26.08%	-44.65%	-55.90%
Finland	6.06%	-21.38%	-43.13%	-56.85%
Luxembourg	5.01%	-43.83%	-70.03%	-64.26%
Austria	7.10%	-38.90%	-63.19%	-65.32%
Belgium	10.26%	-37.19%	-55.85%	-65.57%
Norway	1.61%	-40.68%	-65.01%	-66.07%
Greece	2.72%	-40.54%	-55.68%	-66.50%
Ireland	-0.26%	-37.81%	-62.42%	-69.94%

S&P Global BMI GICS Sector Results:
U.S. \$-Billions
December 31, 2008

	MARKET CAP	WEIGHT	DECEMBER STOCK RETURN	3-MONTHS STOCK RETURN	2008 STOCK RETURN
Energy	\$2,376	11.18%	-2.60%	-26.11%	-44.50%
Materials	\$1,433	6.75%	6.94%	-28.92%	-52.90%
Industrials	\$2,464	11.60%	6.25%	-23.20%	-46.48%
Consumer Discretionary	\$1,910	8.99%	6.12%	-24.44%	-45.19%
Consumer Staples	\$2,114	9.95%	2.68%	-13.84%	-26.30%
Health Care	\$2,312	10.88%	7.35%	-12.55%	-24.39%
Financials	\$4,258	20.04%	3.02%	-32.25%	-53.77%
Information Technology	\$2,246	10.57%	3.46%	-25.25%	-45.73%
Telecommunication Services	\$936	4.40%	6.66%	-10.39%	-39.23%
Utilities	\$1,197	5.63%	4.29%	-11.45%	-32.99%
S&P Global BMI	\$21,245	100.00%	3.95%	-23.39%	-44.01%

S&P BMI Global --Country Make-Up:
U.S. \$-Millions
December 31, 2008

COUNTRY	FLOAT CAPITAL \$U.S.-\$MIL	WEIGHT %	FLOAT CAPITAL \$U.S.-\$MIL 1-YEAR AGO	CHANGE \$U.S.-\$MIL	% OF LOSS
Argentina	\$9,442	0.04%	\$21,186	-\$11,744	0.07%
Australia	\$534,499	2.52%	\$1,095,760	-\$561,261	3.37%
Austria	\$35,038	0.16%	\$100,842	-\$65,804	0.38%
Belgium	\$82,980	0.39%	\$224,118	-\$141,138	0.82%
Brazil	\$255,078	1.20%	\$586,069	-\$330,991	1.94%
Canada	\$748,865	3.52%	\$1,447,995	-\$699,130	4.13%
Chile	\$38,979	0.18%	\$69,798	-\$30,819	0.18%
China	\$366,502	1.73%	\$705,544	-\$339,042	2.01%
Czech Republic	\$13,870	0.07%	\$23,375	-\$9,505	0.05%
Denmark	\$82,088	0.39%	\$164,837	-\$82,749	0.48%
Egypt	\$16,178	0.08%	\$39,246	-\$23,068	0.14%
Finland	\$124,507	0.59%	\$290,980	-\$166,473	0.96%
France	\$926,513	4.36%	\$1,673,822	-\$747,309	4.28%
Germany	\$760,426	3.58%	\$1,497,926	-\$737,500	4.24%
Greece	\$48,410	0.23%	\$160,126	-\$111,716	0.65%
Hong Kong	\$202,190	0.95%	\$441,393	-\$239,203	1.42%
Hungary	\$10,392	0.05%	\$28,438	-\$18,046	0.10%
India	\$157,817	0.74%	\$422,487	-\$264,670	1.54%
Indonesia	\$29,488	0.14%	\$62,341	-\$32,853	0.19%
Ireland	\$34,846	0.16%	\$116,869	-\$82,023	0.48%
Israel	\$63,438	0.30%	\$94,568	-\$31,130	0.19%
Italy	\$331,096	1.56%	\$705,277	-\$374,181	2.16%
Japan	\$2,304,180	10.85%	\$3,290,614	-\$986,434	5.71%
Korea	\$309,340	1.46%	\$676,392	-\$367,052	2.15%
Luxembourg	\$31,350	0.15%	\$82,826	-\$51,476	0.30%
Malaysia	\$61,226	0.29%	\$110,163	-\$48,937	0.29%
Mexico	\$103,426	0.49%	\$196,202	-\$92,776	0.54%
Morocco	\$21,558	0.10%	\$25,030	-\$3,472	0.02%
Netherlands	\$226,253	1.07%	\$491,792	-\$265,539	1.53%
New Zealand	\$12,136	0.06%	\$25,771	-\$13,635	0.08%
Norway	\$65,664	0.31%	\$188,188	-\$122,524	0.72%
Peru	\$13,884	0.07%	\$28,644	-\$14,760	0.09%
Philippines	\$13,240	0.06%	\$27,449	-\$14,209	0.08%
Poland	\$33,252	0.16%	\$80,390	-\$47,138	0.27%
Portugal	\$39,875	0.19%	\$82,793	-\$42,918	0.25%
Russia	\$133,801	0.63%	\$495,628	-\$361,827	2.13%

Singapore	\$110,668	0.52%	\$224,018	-\$113,350	0.66%
South Africa	\$160,656	0.76%	\$268,690	-\$108,034	0.65%
Spain	\$434,478	2.05%	\$773,725	-\$339,247	1.94%
Sweden	\$189,705	0.89%	\$419,030	-\$229,325	1.32%
Switzerland	\$762,954	3.59%	\$1,066,739	-\$303,785	1.73%
Taiwan	\$275,825	1.30%	\$510,364	-\$234,539	1.37%
Thailand	\$28,524	0.13%	\$55,423	-\$26,899	0.16%
Turkey	\$31,329	0.15%	\$78,134	-\$46,805	0.27%
United Kingdom	\$1,685,202	7.93%	\$3,461,378	-\$1,776,176	10.44%
United States	\$9,323,538	43.89%	\$15,578,099	-\$6,254,561	37.53%
Global	\$21,244,709	100.00%	\$38,210,479	-\$16,965,770	100.00%

S&P BMI Global
Largest 25 issues, US\$-Millions
December 31, 2008

COMPANY	TICKER	MARKET CAP	WEIGHT	COUNTRY	GICS SUB-INDUSTRY
Exxon Mobil Corp	XOM	\$406,067	1.91%	US	Integrated Oil & Gas
Procter & Gamble	PG	\$184,576	0.87%	US	Household Products
General Electric Co	GE	\$170,153	0.80%	US	Industrial Conglomerates
Johnson & Johnson	JNJ	\$166,002	0.78%	US	Pharmaceuticals
Chevron Corp	CVX	\$150,292	0.71%	US	Integrated Oil & Gas
Nestle SA Reg	NESN	\$149,695	0.70%	CH	Packaged Foods & Meats
Microsoft Corp	MSFT	\$148,720	0.70%	US	Systems Software
BP	BP	\$141,631	0.67%	GB	Integrated Oil & Gas
Novartis AG Reg	NOVN	\$130,896	0.62%	CH	Pharmaceuticals
Total Fina Elf B	TOTF	\$128,208	0.60%	FR	Integrated Oil & Gas
Wal-Mart Stores	WMT	\$125,342	0.59%	US	Hypermarkets & Super Centers
Pfizer Inc	PFE	\$119,417	0.56%	US	Pharmaceuticals
JP Morgan Chase & Co	JPM	\$117,681	0.55%	US	Other Diversified Financial Services
HSBC Hldgs	HSBA	\$115,214	0.54%	GB	Diversified Banks
Intl Business Machines Corp	IBM	\$113,065	0.53%	US	Computer Hardware
Wells Fargo & Co	WFC	\$111,721	0.53%	US	Diversified Banks
Roche Hldgs AG Ptg Genus	ROG	\$107,264	0.50%	CH	Pharmaceuticals
Vodafone Group	VOD	\$104,863	0.49%	GB	Wireless Telecommunication Services
Telefonica SA	TEF	\$103,662	0.49%	ES	Integrated Telecommunication Services
GlaxoSmithKline	GSK	\$96,006	0.45%	GB	Pharmaceuticals
Cisco Systems Inc	CSCO	\$95,438	0.45%	US	Communications Equipment
Royal Dutch Shell PLC A	RDSa	\$92,015	0.43%	GB	Integrated Oil & Gas
Coca-Cola Co	KO	\$90,072	0.42%	US	Soft Drinks
Hewlett-Packard Co	HPQ	\$88,878	0.42%	US	Computer Hardware
Philip Morris International	PM	\$88,022	0.41%	US	Tobacco
TOTAL		\$3,344,901	15.74%		

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