

MarketAttributes Snapshot
S&P 500

MarketAttributes is a snapshot of the U.S. market, as measured by the S&P 500, taken at the end of each month. It seeks to highlight those statistical factors that have impacted market performance over the course of the month, such as stock buybacks, cash levels, and dividend payments.

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

For additional information covering a wide scope of topics and a complete set of current and historical data that supports analysis summarized in this snapshot, visit: www.marketattributes.com
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THE MARKET

The -7.49% S&P 500 November loss was even worse than the numbers show. The VIX, which hit 89 last month, posted a low of 44 and a high of 81 this month, before settling down to 55. The agonizing swings of the S&P 500 (high of 1008, low of 741) were documented by eight days of 5% movements (5 up, 3 down) and only four days of less than 1% (3 up, 1 down).

November's damage was centered in the Financials, which despite having its best one day performance (18.77% on 11/24), the sector closed the month down -18.74%. The -7.49% S&P 500 loss would have been -5.79% without the Financials. Seven of the ten sectors were negative, with Telecommunications posting a 6.43% gain, followed by Utilities with a 2.43% advance. The top five issues this month were ADM (+32.1% for Nov. and -41.0% YTD), SUN (+30.3% for Nov., -45.1% YTD), NEM (+27.8% for Nov., -31.1% YTD), AN (24.3% for Nov., -45.5% YTD), and JEC (22.9% for Nov., -53.2% YTD). The decliners for the month were dominated by Financials and Consumer Discretionary, including PLD (-72.6% for Nov., -94.0% YTD), THC (-72.4% for Nov., -76.2% YTD), GNW (-70.0% for Nov., -94.3% YTD), ACAS (-69.8% for Nov., -87.1% YTD), and LIZ (-65.0% for Nov., -86.0% YTD). Year-to-date all ten sectors were down double-digits. The index was off -38.96%, with Financials down -56.65%. Consumer Staples was the best performer losing only -17.02%.

GLOBAL INDUSTRY CLASSIFICATION: Preliminary Capital Appreciation Contributions to the S&P 500

% CHANGES	NOVEMBER 2008	FROM 8/29/2008	1-YEAR (11/30/2007)	2-YEARS (11/30/2006)	FROM 10/09/2002	FROM 03/24/2000	10-YEARS ANNUALIZED
Consumer Discretionary	-9.78%	-32.93%	-40.98%	-45.65%	-4.02%	-43.53%	-3.24%
Consumer Staples	-2.01%	-14.28%	-18.05%	-5.36%	20.17%	49.28%	0.13%
Energy	0.40%	-27.56%	-28.34%	-13.26%	136.04%	92.40%	8.07%
Financials	-18.74%	-40.49%	-59.14%	-64.41%	-32.09%	-49.16%	-5.79%
Health Care	-7.18%	-23.32%	-31.36%	-24.51%	-2.62%	-9.36%	-1.98%
Industrials	-7.60%	-34.20%	-42.36%	-35.62%	22.09%	-24.47%	-0.66%
Information Technology	-11.44%	-36.49%	-43.80%	-36.88%	31.87%	-76.75%	-5.34%
Materials	-11.22%	-42.82%	-46.18%	-35.70%	35.19%	1.64%	0.25%
Telecommunication Services	6.43%	-15.94%	-32.17%	-25.38%	34.92%	-65.02%	-7.53%
Utilities	2.43%	-20.26%	-29.80%	-17.98%	96.27%	2.61%	-0.48%
S&P 500	-7.49%	-30.14%	-39.49%	-36.01%	15.38%	-41.33%	-2.58%

BREADTH

Breadth for November was terrible with 104 issues increasing (average +7.50%), but that was still better than last month's 28 increases. The 393 issues that declined for the month averaged -15.52%. Year-to-date, breadth was even worse than October's 30 increases, with only 19 issues up.

Monthly. *By market value.

PERIOD	ISSUES UP	ISSUES UNCHANGED	ISSUES DOWN	AVERAGE % CHANGE	TOP 10* % AVG CHANGE	TOP 25* % AVG CHANGE	TOP 50* % AVG CHANGE	S&P 500 % CHANGE
Nov,'08	104	3	393	-10.68	-3.59	-5.87	-6.09	-7.49
Oct,'08	28	2	470	-20.89	11.59	-13.96	-12.71	-16.94
Sep,'08	65	3	435	-10.56	-0.35	-2.95	-5.93	-9.08
Aug,'08	320	3	177	2.63	3.14	1.44	1.21	1.22
Jul,'08	249	2	249	-0.54	4.58	2.62	2.65	-0.99
Jun,'08	66	2	432	-9.99	-6.21	-8.67	-7.49	-8.60
May,'08	313	5	182	2.34	1.27	-1.18	0.81	1.07
Apr,'08	369	3	128	5.16	2.65	5.95	5.48	4.75
Mar,'08	244	4	252	-1.47	3.45	1.06	0.01	-0.60
Feb,'08	159	2	339	-3.17	-3.55	-3.81	-3.07	-3.28

WORLD MARKETS

For November, 44 of the 47 global markets that comprise the S&P Broad Market Indices lost a record US\$ 2.19 trillion. From the May turnaround, US\$ 16.28 trillion has been lost by investors, with the year-to-date loss at US\$ 17.93 trillion. Peru, South Africa and China (Emerging Markets) were the only gainers, up 7.27%, 1.40% and 0.99% respectively. Notably, the U.S. market has been one of the better market performers, although their losses have been substantial and their November performance lower. To some extent, the much higher expectations of non-U.S. growth and U.S. decoupling have caused a stronger market decline abroad. Add to that, greater U.S. equity market liquidity, political stability, a changing currency rate, and the performance variance is explained. As a result, the U.S. is now 45.0% of all global equity issues, compared to 40.5% at the end of May 2008.

EARNINGS

Preliminary third quarter earnings, which at this time last year were estimated to be up 14.2%, are now coming in at -21.6%. Financials continue to be the problem, with Consumer Discretionary helping to bring the overall numbers down. The sector easily posted its fourth consecutive quarter of negative earnings. Non-Financials are coming in at a double-digit gain, with a limited number of charges. Therefore, the cash-flow should be positive. Forty-eight percent of the issues were ahead of estimates, and 49% are short. The values are slightly better for the non-Financials subset: 51% and 45%. Sales are 6.7% ahead of last year, with 69% of the issues coming in ahead of last year. To no surprise, Energy continues to contribute the lion's share of the earnings, now accounting for 28% (their market value is 13%) of the Q3 earnings.

Q4 is infamous for write-offs and S&P believes impairment (and goodwill: CBS, WB) charges will be significant. Additionally, layoffs (current and planned: AXP, MOT, ERTS) are becoming more

common, along with their associated costs and initial short-term cash outflows (severance). All-in-all, estimates are getting more difficult and more complex to make, with different assumptions causing drastically different predictions. Many of the individual stock research reports have noted the assumptions, with some giving estimated costs and benefits. The bottom line for investors is that they need to read, do the numbers, and then take a few steps back and see if they buy into what they've just done.

S&P 500 OPERATING EARNINGS PER SHARE: (By Year)

	2004 P/E	2005 P/E	2006 P/E	2007 P/E	2008 P/E	2009 P/E
Consumer Discretionary	20.50	19.64	19.19	19.51	19.99	15.42
Consumer Staples	18.52	17.85	18.91	19.18	14.26	13.05
Energy	11.85	10.66	10.44	13.03	6.93	8.26
Financials	13.31	13.32	13.17	17.20	-31.31	9.11
Health Care	20.45	19.70	19.33	17.58	11.46	10.14
Industrials	22.11	17.74	16.95	16.65	9.48	9.57
Information Technology	26.17	22.16	23.56	23.72	12.18	11.45
Materials	18.16	15.62	14.20	16.27	8.97	9.36
Telecommunication Services	18.88	16.20	19.48	20.35	12.71	11.04
Utilities	16.50	16.40	16.23	18.53	12.19	11.18
S&P 500	17.93	16.33	16.17	17.79	13.14	10.39

S&P 500 OPERATING EARNINGS PER SHARE: (By Year)

	Q1 2008 OVER Q1 2007	Q2 2008 OVER Q2 2007	Q3 2008 OVER Q3 2007	Q4 2008 OVER Q4 2007	2008 OVER 2007
Consumer Discretionary	-20.11%	-56.64%	-42.06%	-36.39%	-39.41%
Consumer Staples	17.98%	8.73%	13.60%	6.84%	11.55%
Energy	23.83%	5.33%	89.11%	-7.48%	25.62%
Financials	-107.71%	-109.87%	-192.80%	146.42%	-123.81%
Health Care	2.49%	10.00%	4.42%	18.60%	8.64%
Industrials	7.19%	12.65%	1.01%	-10.65%	2.12%
Information Technology	12.02%	21.92%	13.10%	-9.46%	7.85%
Materials	6.43%	4.14%	-11.97%	-15.39%	-3.23%
Telecommunication Services	17.39%	9.55%	-10.14%	7.18%	5.38%
Utilities	14.92%	15.12%	-4.80%	9.10%	6.67%
S&P 500	-25.75%	-29.26%	-21.59%	19.52%	-17.37%

DIVIDENDS

November continued the devastating cuts that started in September, with an additional ten cuts aggregating US\$ 4.89 billion. The three-month total is now US\$ 20.85 billion, and the year-to-date total is US\$ 38.0 billion. Many of the issues that cut paid their third or fourth quarter dividend so the full impact is yet to be felt by dividend investors. S&P expects the Q4, '08 dividend payment to decline 10% from the Q4, '07 payment, the worst quarterly change since 1958. The full year, due to the timing of the cuts, is expected to post a 1.2% gain over 2007. Full year 2009 is under review, but it does not look promising. Many issues are paying out more than their earnings (or cash flow), and the current indicated rate (what companies are paying now, without expected increases or decreases) is 4.5% lower than the 2008 expected payment. Before the credit crisis, Financials contributed 34% of the dividend income, and now the sector is under 20%.

Outside the S&P 500 (NY, ASE, NASD common) the situation continues to deteriorate. November was the worst November for dividends since S&P started keeping dividend records in 1956. For the month, 12 issues increased, 0 initiated, 8 decreased and 2 suspended versus 26 increases, 1 initiation, 1 decrease, 3 suspensions for the same period in 2007 and 23 increases, 0 initiations, 0 decreases, 0 suspensions for November 2006. Year-to-date increases are down 230 versus 273 for 2007, with decreases up 55 versus 11. Payers outperformed non-payers for all periods: November posted a -9.57% return for payers versus -12.96% for non-payers; Year-to-date posted -40.97% versus -46.75%; and the 12-month period is -41.87% versus -48.10%.

ISSUE INDICATED DIVIDEND RATE CHANGE

Month of November

PERIOD	INCREASES	INITIALS	DECREASES	SUSPENSIONS
2008	12	0	8	2
2007	26	1	1	3
2006	23	0	0	0
2005	25	0	0	0

DIVIDEND TOTAL RETURN PERFORMANCE

PERIOD	AVERAGE S&P 500 PAYERS	AVERAGE S&P 500 NON-PAYERS
Month – Average Change	-9.57%	-12.96%
12-Months	-41.87%	-48.10%
Average Yield	4.25%	

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