

MarketAttributes Snapshot

S&P SMALLCAP 600

MarketAttributes is a snapshot of the U.S. market, as measured by the S&P SmallCap 600, 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.standardandpoors.com

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RETURN

October showed the S&P SmallCap 600 reversing its seventh consecutive month of gains, posting a broad loss of 5.79%. After starting the month off poorly, the index climbed back to be ahead by 3.5% mid-month, and from there, it deteriorated with the majority of damage done near month-end. The seesaw movement was mostly based on the global perception of the rate of growth and expenditures.

Year-to-date, the index remains up 11.79%, with seven sectors up led by Energy with a 47.90% gain. The three sectors down year-to-date are led by Telecommunications which has now lost over half its value this year, posting a return of -51.32%.

MONTHLY RETURNS: Data as of October 31, 2009.

MONTH OF	PRICE CLOSE	PRICE CHANGE	1-MONTH CHANGE	3-MONTH CHANGE	6-MONTH CHANGE	1-YEAR CHANGE
October 2009	299.06	-18.37	-5.79%	1.13%	14.61%	3.96%
September 2009	317.43	15.21	5.03%	18.30%	42.71%	-11.99%
August 2009	302.22	6.50	2.20%	14.09%	46.74%	-21.98%
July 2009	295.73	27.40	10.21%	13.33%	26.21%	-20.53%
June 2009	268.32	3.43	1.30%	20.63%	-0.15%	-26.48%
May 2009	264.89	3.96	1.52%	28.61%	4.39%	-32.99%
April 2009	260.93	38.50	17.31%	11.36%	-9.29%	-31.13%
March 2009	222.43	16.47	8.00%	-17.23%	-38.33%	-38.99%
February 2009	205.96	-28.36	-12.10%	-18.84%	-46.83%	-43.37%

BREADTH

October breadth reversed with only 134 issues ahead in price (average +6.84%) versus 432 issues in September and 343 issues in August. Decliners climbed to 466 issues (average -11.14%) from 166 issues down in September and 252 issues in August. Year-to-date, 381 issues are still ahead (average +24.48%), with 217 issues down (average -22.13%).

Monthly. *By market value.

PERIOD	AVERAGE % CHANGE (ALL)	ISSUES UP	AVERAGE % CHANGE (UP)	ISSUES DOWN	AVERAGE % CHANGE (DOWN)	TOP 100* % CHANGE	BOTTOM 100* % CHANGE	S&P SMALLCAP 600 % CHANGE
Oct.'09	24.48	381	51.09	217	-22.13	26.52	8.66	11.29
Sep.'09	35.68	421	59.57	178	-20.83	31.19	27.68	18.12
Aug.'09	27.80	390	53.78	206	-20.99	26.25	24.18	12.46
Jul.'09	23.44	367	51.82	233	-21.35	26.43	14.61	10.05
Jun.'09	9.81	311	41.07	288	-23.92	15.08	-0.63	-0.15
May,'09	7.23	286	39.46	311	-22.38	16.76	-0.05	-1.43
Apr,'09	4.19	266	36.11	334	-21.23	9.79	-1.69	-2.90

GLOBAL INDUSTRY CLASSIFICATION: Price Return to the S&P SmallCap 600

% CHANGES	OCTOBER 2009	YTD 2009	1-YEAR (10/31/2008)	2-YEAR (10/31/2007)	FROM 3/24/2000
Energy	-0.45%	47.90%	12.28%	-21.98%	288.13%
Materials	-7.46%	24.72%	17.37%	-42.31%	64.73%
Industrials	-4.56%	4.77%	1.94%	-30.41%	70.74%
Consumer Discretionary	-6.43%	38.18%	23.11%	-35.74%	33.17%
Consumer Staples	-3.67%	23.92%	14.04%	2.00%	175.33%
Health Care	-5.49%	7.49%	4.78%	-23.17%	95.62%
Financials	-5.65%	-16.58%	-21.55%	-45.57%	25.09%
Information Technology	-9.03%	30.44%	20.00%	-30.37%	-48.82%
Telecommunication Services	-11.63%	-51.32%	-54.43%	-84.57%	-98.15%
Utilities	-2.30%	-6.57%	-7.44%	-14.18%	99.82%
S&P 600	-5.79%	11.29%	3.96%	-30.61%	36.47%

% CHANGES	2008	2007	2006	2005	2004	2003	2002
Energy	-46.02%	23.41%	17.63%	52.18%	52.70%	28.95%	-2.55%
Materials	-48.46%	10.01%	30.13%	7.47%	37.20%	45.83%	-24.91%
Industrials	-27.69%	9.68%	17.48%	11.87%	26.77%	29.63%	-11.74%
Consumer Discretionary	-43.39%	-24.29%	7.65%	-0.04%	19.29%	49.25%	-8.82%
Consumer Staples	-14.15%	3.55%	28.74%	-4.75%	11.58%	19.47%	-12.69%
Health Care	-28.43%	18.74%	8.53%	10.96%	22.41%	31.31%	-18.52%
Financials	-27.90%	-25.57%	12.13%	-1.93%	21.05%	33.66%	0.41%
Information Technology	-40.54%	9.05%	9.19%	-0.42%	6.49%	53.61%	-36.50%
Telecommunication Services	-57.49%	-27.70%	34.94%	-14.73%	26.45%	-5.06%	-46.97%
Utilities	-7.08%	0.94%	23.18%	4.80%	16.10%	23.95%	-4.90%
S&P 600	-31.99%	-1.22%	14.07%	6.65%	21.59%	37.53%	-15.32%

LIQUIDITY, CURRENCIES AND COMMODITIES

While September and October are two months widely known as being market unfriendly, this year they have been good for the market. The October 6th announcement by the first G20 country, Australia, to increase its rate from 3% to 3.5% set the world stage, as Norway followed suit on October 28th and increased its rate 25 bps to 1.50%. This reversal of policy is viewed as a bullish sentiment that sovereigns can start to pull back their support of liquidity markets and focus on growth. While both countries were unique, considering Australia's strong ties to Asian growth and Norway's strong ties to oil production, their actions deepened the belief that the recovery is here, and that a new front has opened.

Global markets posted modest gains in October to hold onto the impressive gains of the past seven months. Most central banks remarked about improved economies, but remained on the sidelines as far as rates go, while unwinding programs were more common. The U.S. Fed exited its treasury buying which added to rates. The 10-year Treasury closed up 9 points at 3.39% (from September's close of 3.30%, and year-end 2008's close of 2.22%). The 30-year Treasury increased 19 points to 4.23% (4.04% in September, 2.68% at year-end 2008). The Euro closed at 1.4723 after passing the 1.50 mark (1.4635 in September, 1.3966 at year-end 2008), the Pound at 1.6425 (1.5991 in September, 1.3900 and year-end 2008), and the Yen at 0.01110 (0.01114 in September, 0.01102 at year-end 2008 [90.06 versus 89.74 versus 90.73, reverse reference, which is usually used]).

The current U.S. reading of corporate earnings shows that companies have made their bottom number through cost cutting. The bright spot emerging is that sales appear to have turned the corner, coming in at a 10% decline over Q3 2008, but substantially better than the 20% Q2 2009 decline. Sales reported to date are running 2.35% ahead of estimates, and margins are unusually high (7.78%). If sales continue to improve (with the help of the consumer, corporate spending and M&A), higher margins would assist in justifying what currently appears to be a promising earnings forecast and currently high multiples.

Commodity prices increased almost across the board. Natural Gas, which had set a seven year low two months ago, continued to rebound posting a 13.3% gain in October. Agriculture was up 6.4%, and is now up 0.1% over last year. Gold remained in the post US\$ 1000 market, and closed up at US\$ 1040.40 (US\$ 1009.30 in September, \$843.00 at year-end 2008). Oil broke the US\$ 80 mark as better economic times were generally perceived, and closed slightly below that mark at US\$ 79.89, up 13.1% for the month (US\$ 70.61 in September, US\$ 44.60 at year-end 2008) and up 79.1% year-to-date. Higher oil prices pushed U.S. pump prices to US\$ 2.674/gallon, up 65.8% from its US\$ 1.613 year-end 2008 close and almost flat from the US\$ 2.656 in October 2008 (US\$2.499 in September).

WORLD MARKETS

Global markets continued their recovery through most of October. Emerging markets posted a slight gain of 0.61% as 12 of the 20 markets advanced, pushing the YTD gain to an astounding +65.50%. However, when the YTD gain is measured against the year-end 2007 levels, the return is still off 25.06%. Developed markets, posted a 2.20% loss for the month, assisted by the United States which lost 2.63% and Japan which was down 2.64%. Only six of 25 markets were up for the month. All 45 markets were positive for both the YTD and 12-month periods; however, from the close of 2007, the global markets remain off 29.31%, with 44 of the 45 markets in the red, and only Peru posting a slight gain of 0.46%.

S&P SMALLCAP 600 OPERATING EARNINGS PER SHARE:

	2004 P/E	2005 P/E	2006 P/E	2007 P/E	2008 P/E	2009 P/E EST
Consumer Discretionary	18.62	16.16	18.98	25.97	52.26	31.25
Consumer Staples	25.31	26.38	35.71	21.07	16.50	17.34
Energy	15.36	14.28	13.96	15.55	12.00	35.38
Financials	15.57	15.20	15.57	15.65	NEGATIVE	NEGATIVE
Health Care	27.67	29.24	34.16	31.67	15.97	20.11
Industrials	22.51	20.24	19.51	17.42	9.57	21.34
Information Technology	30.66	34.39	29.75	28.85	28.65	59.77
Materials	19.47	14.26	16.09	20.30	24.71	25.89
Telecommunication Services	17.60	14.43	18.59	29.32	5.55	22.20
Utilities	18.44	14.87	18.59	15.62	13.38	15.55
S&P SmallCap600	20.85	19.17	20.23	20.80	21.36	34.48

S&P SMALLCAP 600 OPERATING EARNINGS PER SHARE:

	Q4 2008 OVER Q4 2007	Q1 2009 OVER Q1 2008	Q2 2009 OVER Q2 2008	Q3 2009 OVER Q3 2008	Q4 2009 OVER Q4 2008	2009 OVER 2008
Consumer Discretionary	-162.43%	-54.20%	-59.97%	323.60%	378.26%	175.25%
Consumer Staples	-23.56%	81.80%	11.56%	30.43%	27.01%	32.19%
Energy	-358.13%	-126.53%	-67.30%	-68.79%	126.38%	-35.32%
Financials	-298.33%	-240.69%	-150.98%	-19.28%	123.17%	24.34%
Health Care	16.65%	10.74%	-1.45%	20.79%	11.63%	10.05%
Industrials	-33.93%	-54.93%	-45.62%	-37.28%	10.88%	-36.71%
Information Technology	-135.29%	-133.68%	-95.24%	-1.33%	391.62%	-29.49%
Materials	-299.80%	103.50%	-39.48%	-27.85%	170.68%	62.37%
Telecommunication Services	-268.05%	2.87%	-102.48%	-77.07%	113.64%	-75.09%
Utilities	-4.35%	-2.83%	0.32%	-45.96%	7.60%	-5.60%
S&P SmallCap600	-130.77%	-81.69%	-57.15%	-20.46%	392.59%	-11.76%

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