

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.standardandpoors.com

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THE MARKET

The S&P 500's 0.02% gain in June marked the fourth consecutive month of gains (+25.06% cumulative) for the index. From the March 9th low (676.53) to the June 12th high (946.21), the market was up 35.83%, with the worst sector, Telecommunications, up 18.94% and the best sector, Financials, up 91.43%. Since March 9th, the 79 trading days produced a 35.89% gain, marking the best gain since the 37.11% increase in 1982. Volatility was mild by historical standards, with June having 31.8% of its days move over 1% (up or down), compared to 70.0% for May and an average of 55.2% since January 2008.

The modest monthly gain after a 15.20% two-month advance (+5.31% in May, +9.39% in April) produced a 15.22% quarterly gain for the S&P 500. With the exclusion of the 3-month May 2009 return, of 25.04%, Q2 2009 had the best 3-month return since the +20.87% gain in December 1998. The first quarter decline of 11.67% combined with the second quarter's 15.22% gain resulted in a year-to-date gain of 1.78%.

Six out of the ten sectors were up in June, with Utilities performing the best at 5.11% and Energy performing the worst down 4.68%. For the quarter, all sectors were positive with Financials rebounding 35.08% and Telecommunications barely positive at +1.90%. The second quarter's rebound left three sectors positive year-to-date with seven still in the red. Information Technology, the largest sector in the S&P 500, produced a 24.08% gain over the six months, followed by Materials, the smallest sector, at +12.28%. Telecommunications was at the bottom of the list with a year-to-date return of -6.73%, followed by Financials at -4.76%.

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

% CHANGES	JUNE 2009	3-MONTHS 3/31/2009	YTD 12/31/2008	1-YEAR 6/30/2008	2-YEARS 6/29/2007	5-YEARS 6/30/2004	FROM 3/24/2000
Consumer Discretionary	0.32%	17.65%	7.52%	-18.53%	-41.28%	-27.15%	-36.18%
Consumer Staples	0.18%	8.87%	-3.44%	-13.06%	-14.46%	1.37%	43.05%
Energy	-4.68%	10.06%	-3.24%	-42.66%	-29.43%	49.05%	78.56%
Financials	-2.24%	35.08%	-4.76%	-40.67%	-66.88%	-58.18%	-51.91%
Health Care	2.54%	8.27%	-0.96%	-13.56%	-25.08%	-13.59%	-4.29%
Industrials	-2.35%	18.01%	-7.68%	-36.79%	-46.04%	-28.03%	-29.87%
Information Technology	4.03%	19.35%	24.08%	-19.29%	-25.91%	-10.94%	-70.67%
Materials	-4.89%	15.53%	12.28%	-40.66%	-38.23%	-6.23%	13.25%
Telecommunication Services	1.01%	1.90%	-6.73%	-23.66%	-40.87%	-8.53%	-67.09%
Utilities	5.11%	8.83%	-4.08%	-31.36%	-29.09%	17.75%	-4.00%
S&P 500	0.02%	15.22%	1.78%	-28.18%	-38.85%	-19.42%	-39.81%

The top five gainers for the month were SLM (+55.37% for the month, +107.47% for Q2, +15.39% YTD), AKS (+34.20% for June, +169.52% for Q2, +105.90% YTD), CBG (+28.22% for June, +132.26% for Q2, +116.67% YTD), LM (+26.45% for June, +53.33% for Q2, +11.27% YTD), and STI (+24.91% for June, +40.12% for Q2, -44.31% YTD). The bottom of the downside was CIT (-43.86% for June, -24.56% for Q2, -52.64% YTD), MBI (-32.87% for June, -5.46% for Q2, +6.39% YTD), AIG (-31.36% for June, +16.00% for Q2, -26.11% YTD), MI (-27.05% for June, -14.74% for Q2, -64.81% YTD) and GCI (-25.16% for June, +62.27% for Q2, -55.38% YTD). In June there were 39 issues that gained at least 10%; 59 issues that declined at least 10%; four issues up at least 25%; and five down at least 25%. Year-to-date, ten issues have doubled (XL, F, S, GNW, THC, JAVA, CBG, AKS, FCX and WFMI), and seven issues have lost at least half their value (TWC, CIT, ZION, EK, GCI, C, and MI).

BREADTH

Breadth turned slightly negative in June with 243 issues gaining (average +6.20%) and 256 issues declining (average -7.18%). The three-month period remained positive, with 433 issues ahead (average +29.12%) and 67 issues (average -7.00%) down. Year-to-date, breadth was also positive with 293 issues ahead (average +9.36%) and 207 issues down (average -14.96%).

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
Jun,'09	243	1	256	-0.66	-0.20	2.07	1.36	0.02
May,'09	326	0	174	6.00	4.44	6.26	5.88	5.31
Apr,'09	415	0	85	18.36	8.37	7.65	7.47	9.39
Mar,'09	416	2	82	10.48	8.00	9.48	10.37	8.54

Yearly. *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
2008	25	5	470	-39.30	-20.12	-28.01	-26.81	-37.00
2007	245	9	246	2.55	20.93	17.29	12.66	3.53
2006	369	11	120	14.39	13.91	17.70	20.02	13.62
2005	286	1	213	7.61	1.52	0.78	5.52	3.00

WORLD MARKETS

Global markets declined 0.58% in June after posting three consecutive months of gains. For the month, emerging markets posted a 1.45% decline with 14 of the 21 markets gaining (Russia was off 9.09%), while developed markets declined 0.47%, with 6 of the 25 markets increasing. The U.S.-World variance diminished in June, with the U.S. posting a 0.14% gain; year-to-date, however, the variance remains with the developed markets returning +6.21%, while ex/U.S. the return is +8.93%.

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	2010 P/E
Consumer Discretionary	20.50	19.64	19.19	19.51	32.12	24.25	13.91
Consumer Staples	18.52	17.85	18.91	19.18	14.36	13.70	12.46
Energy	11.85	10.66	10.44	13.03	7.59	21.81	11.69
Financials	13.31	13.32	13.17	17.20	NM	22.34	12.10
Health Care	20.45	19.70	19.33	17.58	12.64	11.55	10.56
Industrials	22.11	17.74	16.95	16.65	9.78	13.43	12.38
Information Technology	26.17	22.16	23.56	23.72	14.37	19.42	14.50
Materials	18.16	15.62	14.20	16.27	17.00	32.81	15.25
Telecommunication Services	18.88	16.20	19.48	20.35	13.59	12.40	12.27
Utilities	16.50	16.40	16.23	18.53	12.08	11.88	10.82
S&P 500	17.93	16.33	16.17	17.79	18.24	16.53	12.41

BUYBACKS

The S&P 500 stock buybacks were down 73% (US\$ 30.78 billion) in Q1 2009 from Q1 2008 (US\$ 113.9 billion), and off 82% from Q3 2007 (US\$ 172.0 billion), marking the fifth consecutive quarterly decline. Eighty three issues that had Q4 2008 buybacks did not have any in Q1 2009, and therefore, buybacks were again lower than dividends – a trend that S&P expects to continue. The need to conserve capital in the current recession, combined with the uncertainty of future cash flow, has made buybacks too risky for most corporations.

PENSIONS

S&P 500 pensions returned to underfunding in 2008, with a record US\$ 308 billion in uncovered obligations. OPEB funds remained severely underfunded, with US\$ 255 billion in short falls to cover obligations. Global market declines have left 94% of pensions underfunded and 99% of OPEBs in the red. Significant shifts in asset allocation from equity to fixed income should add to stability but reduce future income; therefore, adding to funding pressure. Given reduced benefits, devastated personal and retirement accounts, and increased retiree longevity, workers will delay retirement, change lifestyles, accept that their retirement will not be as good as their parents and realize that retirement may be a thing of the past.

EARNINGS

July starts the earnings season, with 70% of the issues expected to report earnings by the end of the month. The current status is that Q2 2009 is expected to come in 17% lower than Q2 2008. However, the quarter being off 17% is better than Q1 2009 compared to Q1 2008, which was off 39%. Q3 2009 is estimated to be down 6% from Q3 2008.

DIVIDENDS

Year-to-date, there has been 65 dividend cuts, 55 reductions totaling US\$ 45.4 billion and 10 suspensions costing US\$ 1.2 billion. The Q2 2009 reductions in payments of 23.4% was the worst since the 24.4% decline in Q3 1958. June saw US\$ 230 million in reductions from two issues, and 9 issues increasing US\$ 394 million in payments. Outside of the S&P 500 (NY, ASE, NASD common) the situation continued on the negative side. June 2009 saw 53 decreases compared to 36 decreases in June 2008, and 61 increases compared to 100 increases in June 2008.

For the month, 9 issues increased, 0 initiated, 1 decreased and 1 suspended versus 16 increases, 0 initiations, 2 decreases and 0 suspensions for the same period in 2008, and 12 increases, 0 initiations, 1 decrease, and 1 suspension for June 2007. Year-to-date, increases continue to decline as decreases continue to increase; there have been 86 increases, 2 initiations, 55 decreases and 10 suspensions year-to-date versus 158 increases, 3 initiations, 16 decreases, and 4 suspensions for the same period in 2008. Payers underperformed non-payers for the month and year-to-date, posting a -0.84% return versus a +0.26% return in June and a return of -2.43% versus +24.44% year-to-date.

ISSUE INDICATED DIVIDEND RATE CHANGE

Month of June

PERIOD	INCREASES	INITIALS	DECREASES	SUSPENSIONS
2009	9	0	1	1
2008	16	0	2	0
2007	12	0	1	1
2006	17	0	0	0

By Year

PERIOD	INCREASES	INITIALS	DECREASES	SUSPENSIONS
2009: 1/01 - 6/30	86	2	55	10
2008: 1/01 - 6/30	158	3	16	4
2007: 1/01 - 6/29	165	2	2	2
2006: 1/01 - 6/30	179	4	3	2

DIVIDEND TOTAL RETURN PERFORMANCE

PERIOD	AVERAGE S&P 500 PAYERS	AVERAGE S&P 500 NON-PAYERS
Month – Average Change	-0.84%	0.26%
12-Months	-32.85%	-23.36%
Average Yield	2.35%	

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