



## Last Week (as of 2/17/12)

Equities	1 week	YTD	1 year
Wilshire 5000	1.58%	9.59%	3.11%
Dow Jones Industrial Avg	1.31%	6.44%	8.00%
NASDAQ	1.71%	13.48%	5.35%
S&P 500	1.48%	8.56%	3.73%
S&P 500 Growth	1.19%	7.71%	6.40%
S&P 500 Value	1.81%	9.56%	1.16%
S&P 400	2.14%	12.18%	1.74%
Russell 2000	1.92%	11.97%	0.72%
MSCI EAFE	2.26%	11.50%	-7.35%
MSCI Emerging Mkts	1.30%	16.47%	-2.43%

Sectors	1 week	YTD	1 year
Consumer Discretionary	1.54%	10.18%	9.91%
Consumer Staples	1.34%	1.81%	14.73%
Energy	2.50%	8.31%	-0.81%
Financials	1.57%	13.86%	-12.18%
Health Care	1.05%	4.49%	13.17%
Industrials	0.87%	10.50%	0.64%
Information Technology	1.80%	14.84%	5.98%
Materials	0.85%	11.59%	-6.00%
Telecommunication	1.65%	1.74%	5.24%
Utilities	0.56%	-2.61%	14.64%

Currencies	Price	1 week	YTD
Euro	1.32	0.94%	2.17%
Yen	79.70	-1.61%	-3.40%
Commodities	Price	1 week	YTD
Gold	\$1,748.90	1.39%	11.44%
Crude Oil	\$104.40	3.46%	5.64%
CRB Index	\$319.61	1.77%	4.69%
Fixed Income	1 week	YTD	1 year
Bar. Aggregate	-0.12%	0.48%	8.89%
Bar. Government	-0.13%	-0.45%	9.54%
Bar. Agency	-0.03%	0.15%	5.33%

Data Source: Bloomberg

## Last Week in the News

- Of the 404 (80%) S&P 500 companies who have reported Q4, 64% beat estimates, 10% were in-line, and 26% were below the mean.
- The est. earnings growth rate for the S&P 500 for Q1 2012 is 2.2%.
- A payroll tax cut extension has been agreed upon in Washington with Republicans dropping their requirement that it be paid for. The debt ceiling may need to be raised now before the November elections.
- Oil prices jumped over \$105 dollars a barrel - a nine-month high after Iran said it halted crude exports to Britain and France in a dispute over its nuclear program.
- Wal-Mart's 4<sup>th</sup> Qtr profit came in just short of expectations as it cut prices to win over U.S. shoppers during the holiday season.
- Lenders have been allowing more short sales in recent months by financially strapped homeowners. Short sales are up 32% this year.

## Highlights

- Monday**, the U.S. Markets and banks are closed to observe Presidents Day Holiday.
- Tuesday**, the Federal Reserve Bank of Chicago releases its index of national economic activity for the month of January.
- Wednesday**, the National Assn. of Realtors tallies last month's sales of existing homes. Republican presidential candidates will hold a debate in Mesa, Arizona.
- Thursday**, the U.S. envoy meets with representatives of North Korea in Beijing, aiming to restart nuclear talks. Weekly jobless claims data is released.
- Friday**, the U.S. commerce Department posts new home sales for January. The University of Michigan issues its final reading of consumer sentiment for Feb.
- Saturday**, the G-20 ministers & central bankers meet in Mexico City.

## This Week's Calendar

	Monday	Tuesday	Wednesday	Thursday	Friday
Economic	<b>US Holiday</b> <b>Presidents' Day</b> <b>Bond and Equity</b> <b>Markets Closed</b>	4 Week Bill Announcement 3 Month Bill Auction 6 Month Bill Auction 2 Year Note Auction	Bank Reserve Settlement MBA Purchase Application Existing Home Sales Redbook	Money Supply Jobless Claims FHFA House Price Index EIA Natural Gas Report	Consumer Sentiment New Home Sales
Earnings	Allegheny Corp. Charm Communications Inc. Mayflower Bancorp Inc. Northeast Utilities	Dell Inc. Genuine Parts Co. Medco Health Solutions Inc. Maylan Inc.	Analog Devices Inc. Equity One Inc. Hewlett Packard Co. Windstream Corp.	Checkpoint Systems Inc. Healthsource Corp. Kohl's Corp. Teleflex Inc.	J C Penney Co. Inc. Washington Post Co. Wireless Matrix Corp.

## Portfolio Themes Update

- The German finance ministry is actively pushing for Greece to declare itself bankrupt and to default on debt payments. The recently agreed to austerity measures have caused such fury in Greece, and the cuts required are so deep, that the German finance minister does not believe that any government would be able to implement them. If Greece made good on new promises, it would still not be enough to reach the target of bringing total debt to 120 per cent of GDP by 2020. As the European Union begins to face up to the fact that Greek debt is spiraling out of control, Germany is drawing up plans for Greece to leave the euro. (The Telegraph)
- Euro zone finance ministers agreed on terms for a second bailout package to Greece in the amount of €130 billion. The agreement was reached when private bondholders agreed to a 53.5 percent haircut which helped to get the projected Greek debt/GDP ratio down to 120.5 percent by 2020. There is a list of 20+ "prior actions" that Greece must complete before the end of the month to secure the funds.
- Top European banks, responding to new regulations and wary of lending, are stashing larger sums of money at central banks around the world in a collective flight to safety. The eight giant European banks that have disclosed their annual results in recent weeks reported holding a total of about \$816 billion in cash and deposits at central banks as of Dec. 31, 2011. That total is up 50% from a year earlier. (WSJ)
- U.S. drilling companies are increasingly targeting oil over natural gas, reflecting shifting prices. The share of rigs targeting natural gas has plunged to 35.9%. New drilling techniques- including hydraulic fracturing- have lead to a glut in natural gas supplies. Meanwhile, rising tensions in the Middle East have driven up the price of oil, making it more attractive to drillers. (Baker Hughes)

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