

S&P 500® April Price Return: +1.48%

S&P SmallCap 600® April Price Return: +5.77%

The Market

S&P 500

For the month, the S&P 500 posted a 1.48% gain (with a last-week decline of 2.51%, impacted by the shift in attention to Greece and Goldman Sachs), putting the year solidly ahead with a 6.42% year-to-date (YTD) gain. The third consecutive month of gains pushed the three-month tally to a double-digit category of +10.51%. Seven of the ten sectors were up in April, as Consumer Discretionary led the group with a +6.02%, followed by Energy with a +4.43% advance. Financials were at the bottom with a 3.91% decline (Consumer Staples were off 1.56% and Telecommunications were off 1.40%). YTD, seven sectors were up, with Industrials gaining 17.05%, closely followed by Consumer Discretionary with +16.67%, and Financials at +12.26%. Telecommunications (-6.98%), Utilities (-2.29%), and Health Care (-1.13%) remain in the red.

Volatility was missing again in April but picked up for the last week. The index posted a 2.34% drop on 4/27. The VIX jumped on the situation (17.47 to 22.81), and ended the month at 22.05 (compared with 17.59 for month-end March 2010, 36.50 for April 2009, and 14.22 for April 2007).

S&P SmallCap 600

The S&P SmallCap 600 posted another broad gain in April, advancing 5.77% on top of its +7.65% March advance, leaving it up 14.57% YTD. While most indices are still trying to get back to where they were in Y2K (the 1999 close), the S&P SmallCap 600 is now up 92.67%, or +6.55% compounded annually from its 12/31/1999 price. Of note in April were the Financials, which posted a 6.77% gain, as the S&P 500 managed a 1.30% gain due to strong month-end selling, inspired by the events in DC and the growing anticipation of new financial regulation. The smaller regional banks did better, thanks to the belief that they are closer to their hometown roots and have less exposure to exotic instruments and Washington's regulations. For the month, all ten sectors gained, with Materials (+8.54%) and Consumer Discretionary (+8.13%) performing the best and Health Care gaining the least (+1.76%).

Returns

Monthly Returns: S&P 500

MONTH OF	PRICE CLOSE	PRICE CHANGE	1-MONTH % CHANGE	3-MONTH % CHANGE	6-MONTH % CHANGE	1-YEAR % CHANGE	2-YEAR % CHANGE
04/2010	1186.69	17.26	1.48%	10.51%	14.52%	35.96%	-14.35%
03/2010	1169.43	64.94	5.88%	4.87%	10.63%	46.57%	-11.59%
02/2010	1104.49	30.62	2.85%	0.81%	8.22%	50.25%	-16.99%
01/2010	1073.87	-41.23	-3.70%	3.64%	8.75%	30.03%	-22.10%
12/2009	1115.10	19.47	1.78%	5.49%	21.30%	23.45%	-24.06%
11/2009	1095.63	59.44	5.74%	7.35%	19.20%	22.25%	-26.03%
10/2009	1036.19	-20.88	-1.98%	4.93%	18.72%	6.96%	-33.12%
09/2009	1057.08	36.45	3.57%	14.98%	32.49%	-9.37%	-30.76%
08/2009	1020.62	33.14	3.36%	11.04%	38.84%	-20.44%	-30.76%
07/2009	987.48	68.16	7.41%	13.14%	19.57%	-22.08%	-32.14%
06/2009	919.32	0.18	0.02%	15.22%	1.78%	-28.18%	-38.85%
05/2009	919.14	46.33	5.31%	25.04%	2.56%	-34.36%	-39.95%
04/2009	872.81	74.94	9.39%	5.68%	-9.90%	-37.01%	-41.12%

Monthly Returns: S&P SmallCap 600

MONTH OF	PRICE CLOSE	PRICE CHANGE	1-MONTH % CHANGE	3-MONTH % CHANGE	6-MONTH % CHANGE	1-YEAR % CHANGE
04/2010	381.09	20.79	5.77%	18.67%	27.43%	46.05%
03/2010	360.30	25.60	7.65%	8.32%	13.50%	61.98%
02/2010	334.70	13.56	4.22%	9.16%	10.75%	62.51%
01/2010	321.14	-11.49	-3.45%	7.38%	8.59%	37.05%
12/2009	332.63	26.02	8.49%	4.79%	23.97%	23.78%
11/2009	306.62	7.56	2.53%	1.45%	15.75%	20.83%
10/2009	299.06	-18.37	-5.79%	1.13%	14.61%	3.96%
09/2009	317.43	15.21	5.03%	18.30%	42.71%	-11.99%
08/2009	302.22	6.50	2.20%	14.09%	46.74%	-21.98%
07/2009	295.73	27.40	10.21%	13.33%	26.21%	-20.53%
06/2009	268.32	3.43	1.30%	20.63%	-0.15%	-26.48%
05/2009	264.89	3.96	1.52%	28.61%	4.39%	-32.99%
04/2009	260.93	38.50	17.31%	11.36%	-9.29%	-31.13%

Percent Price Change: S&P 500

% CHANGES	APRIL 4/30/2010	3-MONTH 1/31/2010	1-YEAR 4/30/2009	2-YEAR 4/30/2008	3-YEAR 4/30/2007	FROM 3/24/2000	10-YEAR ANNUALIZED
S&P 500	1.48%	10.51%	35.96%	-14.35%	-19.95%	-22.31%	-2.00%
Consumer Disc	6.02%	20.22%	49.45%	8.15%	-10.78%	-3.90%	-0.28%
Consumer Stpls	-1.56%	4.71%	25.83%	-2.23%	0.82%	70.34%	4.90%
Energy	4.43%	9.45%	26.22%	-27.32%	-7.82%	114.64%	7.66%
Financials	1.30%	13.94%	49.62%	-38.86%	-56.26%	-34.92%	-3.69%
Health Care	-3.91%	-1.55%	27.66%	-2.13%	-14.51%	11.85%	0.18%
Industrials	4.09%	18.49%	49.05%	-17.09%	-16.29%	4.27%	0.37%
Info Tech	1.76%	13.01%	42.05%	2.98%	3.27%	-60.89%	-7.47%
Materials	0.41%	12.58%	33.52%	-22.16%	-14.11%	50.63%	4.41%
Telecom Svc	-1.40%	2.58%	2.03%	-28.59%	-35.42%	-66.31%	-9.75%
Utilities	2.43%	2.96%	17.90%	-23.99%	-26.73%	4.44%	-0.54%
S&P Asia 50	2.60%	8.50%	42.22%	-13.29%	5.65%	55.71%	5.52%
S&P Europe 350	-1.52%	4.95%	28.73%	-19.53%	-32.52%	-34.46%	-4.07%
S&P Global 1200	-0.12%	7.19%	34.97%	-20.49%	-22.89%	-12.74%	-0.82%
S&P LAC 40 (US\$)	-0.73%	11.38%	63.94%	-13.40%	25.51%	260.82%	16.00%
S&P TOPIX YEN	0.05%	8.70%	17.16%	-30.41%	-43.20%	-41.93%	-5.41%
S&P/TSX 60	1.31%	10.41%	26.65%	-13.30%	-6.44%	20.04%	2.49%
S&P/ASX 50	-1.66%	5.17%	26.38%	-11.62%	-19.04%	47.32%	4.22%

Percent Price Change: S&P SmallCap 600

% CHANGES	APRIL 2010	YTD (4/30/2010)	3-MONTHS (1/31/2010)	1-YEAR (4/30/2009)	2-YEAR (4/30/2008)	3-YEAR (4/30/2007)	FROM 3/24/2000
S&P 600	5.77%	14.57%	18.67%	46.05%	0.58%	-9.44%	73.90%
Energy	6.78%	10.67%	16.81%	83.72%	-16.01%	5.62%	370.33%
Materials	8.54%	9.00%	18.50%	55.97%	-15.63%	-22.55%	110.60%
Industrials	6.86%	14.63%	20.51%	42.62%	-2.14%	-3.79%	115.30%
Consumer Disc	8.13%	29.17%	31.15%	60.05%	15.51%	-17.23%	87.59%
Consumer Stpls	6.94%	12.19%	15.62%	45.28%	41.55%	26.50%	243.69%
Health Care	1.76%	9.96%	11.53%	50.33%	7.84%	5.41%	144.55%
Financials	6.77%	15.85%	16.05%	32.24%	-19.01%	-38.38%	59.30%
Info Tech	3.67%	9.91%	17.66%	45.36%	4.87%	-3.84%	-36.27%
Telecom Svc	7.25%	-5.83%	13.08%	-17.78%	-68.56%	-83.46%	-97.99%
Utilities	4.18%	5.48%	9.74%	24.84%	5.93%	-4.17%	129.61%

Breadth

S&P 500

Breadth remained positive in April, but finished below the stronger March numbers, as 339 issues were up (446 in March) and 159 down (54 in March). YTD, breadth is 370 up with 129 down.

PERIOD	UP ISSUES	UNCHANGED ISSUES	DOWN ISSUES	AVERAGE % CHANGE	TOP 10 BY MKT VAL % AVG CHG	TOP 25 BY MKT VAL % AVG CHG	TOP 50 BY MKT VAL % AVG CHG	S&P 500 % CHANGE
Apr,'10	339	2	159	2.72	1.91	0.49	1.10	1.48
Mar,'10	446	0	54	6.92	6.53	5.42	6.61	5.88
Feb,'10	377	2	121	3.92	3.13	2.59	2.04	2.85
Jan,'10	133	1	366	-3.16	-2.62	-3.92	-2.89	-3.70

S&P SmallCap 600

Breadth in April remained strong with 449 issues advancing an average of +9.90% (compared to March, with 498 at +10.72%), and 146 declining an average of 4.79% (101, -4.71%). YTD, 488 issues are up an average of 23.37% and 112 are down an average of 9.40%.

PERIOD	AVERAGE % CHANGE	UP ISSUES	AVERAGE % CHANGE	DOWN ISSUES	AVERAGE % CHANGE	TOP 100	BOTTOM 100	S&P 600 % CHANGE
Apr,'10	6.24	449	9.90	146	-4.79	6.91	5.39	5.77
Mar,'10	8.10	498	10.72	101	-4.71	8.89	7.45	7.65
Feb,'10	4.84	408	9.82	190	-5.71	5.31	7.03	4.22
Jan,'10	-2.38	188	9.57	408	-7.91	-3.02	-1.25	-3.45

Earnings

Operating EPS Change: S&P 500

	Q3 2009 OVER Q3 2008	Q4 2009 OVER Q4 2008	Q1 2010 OVER Q1 2009 E	Q2 2010 OVER Q2 2009 E
S&P 500	-1.12%	18462.93%	83.76%	42.32%
Consumer Discretionary	157.35%	1268.44%	862.46%	41.99%
Consumer Staples	4.62%	18.23%	9.92%	3.39%
Energy	-71.39%	42.38%	1456.29%	87.65%
Financials	124.71%	111.02%	612.67%	247.41%
Health Care	10.11%	10.81%	11.77%	13.72%
Industrials	-40.63%	-10.46%	15.58%	6.30%
Information Technology	3.03%	135.51%	91.93%	58.31%
Materials	-33.90%	146.23%	189.64%	95.33%
Telecommunication Services	-10.58%	-13.49%	-3.00%	2.84%
Utilities	-4.99%	-3.54%	14.05%	11.30%

Operating EPS Change: S&P SmallCap 600

	Q3 2009 OVER Q3 2008	Q4 2009 OVER Q4 2008	Q1 2010 OVER Q1 2009 E	Q2 2010 OVER Q2 2009 E
S&P SmallCap 600	-35.55%	324.69%	399.64%	124.17%
Consumer Discretionary	358.06%	289.16%	268.85%	339.87%
Consumer Staples	29.63%	-24.71%	19.86%	5.75%
Energy	-81.54%	95.33%	238.75%	27.76%
Financials	-402.69%	105.25%	148.45%	348.16%
Health Care	31.90%	18.91%	13.92%	19.32%
Industrials	-32.85%	1.18%	43.57%	16.15%
Information Technology	-1.50%	346.86%	441.17%	3002.46%
Materials	-12.02%	188.84%	28273.67%	27.59%
Telecommunication Services	-75.38%	108.17%	-55.63%	381.08%
Utilities	-42.44%	7.95%	14.06%	50.11%

Dividends

S&P 500

Depending on events in Washington, there is a possibility of a large tax gap in qualified dividends paid in 2010 versus 2011. Without congressional change, a US\$ 1 dividend paid in December will net US\$ 0.85, versus US\$ 0.615 in January 2011 (excluding a potential medical tax). In reaction to the '86 Tax Reform Act, which presented the reverse situation with rates going down, some companies delayed their Q4 to early January. In the current case, January payments could be paid in December; 41 of the S&P 500 constituents paid US\$ 4.0 billion in the first ten days of January 2010. The estimate for 2010 is US\$ 202 billion.

For the month, 25 issues increased, 1 initiated, 0 decreased and 0 suspended, compared to one of the worst months in index history, which posted 14 increased, 1 initiated, 10 decreased, 3 suspended for the same period in 2009, and 22 increased, 0 initiated, 5 decreased, 0 suspended for April 2008. For the past five months, there have been 118 positive announcements and just two reductions (adding US\$ 10.0 billion), compared to 81 and 66 for the corresponding prior year period (reducing by US\$ 42.1 billion). April payments were down 10.91% from April 2009, with the YTD off 8.87, and the 12-month payment off 19.70%. However, the indicated rate continues to increase, with both May and June expected to show year-over-year gains and Q2 up 6.38%, though the first half of the year is still off 1.35%

For the month and YTD, payers outperformed non-payers; payers were up 3.23% compared to non-payers, up 1.68%. YTD, the rates are +11.87% and +10.17%, respectively, and the 12-month returns are a staggering +51.92% and +57.19%, respectively.

Beyond the S&P 500 (NY, ASE, NASD common), dividends were also very good. Dividend data for the month of April shows that increases are up 64.0% from April 2009, but are still 23.3% below April 2008. Decreases are down 85.8% from April 2009.

Issue Indicated Dividend Rate Change: S&P 500

	Increases	Initials	Decreases	Suspensions
2010: April	25	1	0	0
2009: April	14	1	10	3
2008: April	22	0	5	0
2007: April	26	0	0	0

Dividend Total Return Performance: S&P 500

	Average S&P 500 Payers	Average S&P 500 Non-payers
Month - average change	3.23%	1.68%
YTD	11.87%	10.17%
12 Month	51.92%	57.19%
Issues	368	132
Average Yield	1.88%	

Buybacks

S&P 500

Standard & Poor's expects the buyback base to be tied to the market, with 2010 buybacks topping cash dividends. Either issues will need to be true believers (XOM is the poster child – 39 consecutive quarters of share count reduction including Q1,'10) or in a situation in which they wish to support their stock. So far there have been a few SCR issues (COH was one).

Cash

S&P 500

The fourth quarter of 2009 set another new record for Cash, but Standard & Poor's still expects companies to start spending more on M&A, CapX, and even on dividends. Initial cash values are coming in lower than the record-setting Q4,'09. Regardless, current levels are near 10% of market value, and represent 74 weeks of estimated 2010 operating income.

World Markets

Global markets held on to gains despite debt concerns until rating changes on Greece, Portugal, and Spain were declared. The lower ratings, especially for Greece, made it more difficult and expensive to refinance debt, and limited the ability of some investors to hold the debt. By month-end, however, a funding solution seemed to be imminent, thanks to the IMF and EU, with Germany joining in. The emerging markets, as well as the U.S., generally managed to trade on their own markets' merits, with 12 of the 20 markets gaining, and the overall return advancing 0.70%. Turkey posted a +6.95% April return, topping the performance of any market, closely followed by Indonesia with a 6.71% gain, and Egypt's +6.39% return. Israel declined the most, dropping 6.65%, and Thailand declined 3.49%. All 20 markets remained positive for the one-year period, with seven positive over the past two years. Indonesia showed the best performance with a 19.67% gain, and worst was Egypt, down 37.17%. Developed markets were up 0.41% for the month, but without the U.S. gain of 2.04%, they were down 1.07%. Greece saw its market value decline more than 20%, but rebounded to a +11.74% as the possibility of funding became more realistic. Germany, which had a critical involvement in that discussion, declined 2.47%. Portugal declined 10.08%, Spain lost 4.86%, and Italy posted a 6.72% drop, but was able to secure a US\$ 10.5 billion offering. Singapore added 5.11% to top the developed markets, with Denmark gaining 5.03% and the U.K. off 0.66%. Twenty-five developed markets were positive for the one-year return, with Greece down 15.56%. All 26 were negative for the two-year return, with Greece off 64.71%.

S&P Global Broad Market Index (BMI): Emerging, April 2010

BMI MEMBER	1-MONTH	3-MONTH	YTD	1-YEAR	2-YEAR
Global	0.44%	8.12%	3.66%	39.24%	-18.07%
Global Ex-U.S.	-0.72%	5.60%	0.78%	39.57%	-22.26%
Emerging	0.70%	9.02%	3.22%	57.94%	-11.92%
Turkey	6.95%	7.74%	11.90%	97.94%	15.26%
Indonesia	6.71%	15.03%	18.65%	101.65%	19.67%
Egypt	6.39%	8.40%	17.45%	47.61%	-37.17%
Morocco	5.93%	6.86%	7.52%	12.51%	-25.47%
Philippines	5.54%	18.16%	12.49%	70.21%	15.57%
Malaysia	4.09%	14.34%	13.85%	50.26%	0.97%
Chile	3.75%	2.87%	4.91%	57.07%	7.72%
India	2.54%	11.83%	6.97%	81.03%	-7.37%
Czech Republic	2.49%	1.43%	4.59%	28.54%	-30.84%
Taiwan	2.40%	6.21%	-1.07%	40.68%	-16.34%
Peru	1.71%	9.58%	3.25%	61.69%	-2.49%
South Africa	1.00%	11.34%	5.45%	54.97%	0.51%
China	-0.19%	8.69%	-0.54%	43.68%	-10.61%
Mexico	-0.41%	14.97%	8.59%	71.52%	-9.53%
Hungary	-0.48%	11.28%	11.82%	118.40%	-20.01%
Russia	-0.60%	5.95%	8.54%	73.58%	-35.26%
Poland	-1.02%	5.55%	3.85%	62.95%	-34.88%
Brazil	-1.09%	9.83%	-1.83%	67.35%	-12.35%
Thailand	-3.49%	12.34%	6.59%	70.27%	-10.96%
Israel	-6.65%	1.68%	2.88%	45.00%	4.34%

S&P Global Broad Market Index (BMI): Developed, April 2010

BMI MEMBER	1-MONTH	3-MONTH	YTD	1-YEAR	2-YEAR
Developed	0.41%	8.00%	3.71%	37.11%	-18.80%
Developed Ex-U.S.	-1.07%	4.76%	0.18%	35.56%	-24.48%
Singapore	5.11%	11.11%	4.93%	74.06%	-8.56%
Denmark	5.03%	10.36%	12.93%	52.63%	-19.68%
Korea	4.91%	13.39%	7.71%	48.53%	-13.10%
New Zealand	3.92%	6.05%	0.92%	47.71%	-22.99%
Ireland	3.57%	6.78%	5.07%	42.33%	-53.26%
Sweden	2.78%	12.77%	10.14%	57.27%	-12.27%
United States	2.04%	11.70%	7.78%	38.72%	-11.94%
Canada	1.73%	16.13%	7.92%	55.70%	-11.56%
Norway	1.57%	4.57%	0.26%	62.21%	-34.18%
Austria	0.63%	4.39%	0.69%	49.44%	-45.26%
Japan	0.23%	5.65%	7.76%	24.26%	-19.25%
Australia	-0.19%	10.42%	2.38%	63.37%	-14.26%
United Kingdom	-0.66%	2.79%	-1.70%	36.17%	-28.00%
Hong Kong	-1.38%	8.46%	1.87%	46.29%	-9.94%
Netherlands	-1.65%	0.86%	-2.57%	46.39%	-28.89%
Germany	-2.47%	4.07%	-4.67%	27.12%	-32.05%
Belgium	-4.06%	-1.59%	-3.76%	38.01%	-49.01%
France	-4.65%	-1.35%	-8.15%	23.38%	-31.73%
Spain	-4.86%	-8.95%	-19.13%	15.26%	-38.36%
Switzerland	-4.97%	1.15%	-1.73%	34.50%	-12.58%
Italy	-6.72%	-5.49%	-13.10%	13.64%	-45.32%
Finland	-7.54%	-0.90%	1.09%	21.35%	-41.32%
Luxembourg	-8.47%	5.90%	-5.74%	67.36%	-45.70%
Portugal	-10.08%	-10.45%	-19.06%	10.49%	-42.49%
Greece	-11.74%	-13.87%	-23.23%	-13.56%	-64.71%

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