

## Economic & Market news – GS & Co.<sup>1</sup>

- **CPI** increased by 0.03% in April, in line with consensus expectations. **Core CPI** increased by 0.24%.
- **Industrial Production** increased by 1.1% in April, more than the consensus had expected. We consider the report a modest positive surprise.
- **FOMC** meeting minutes indicated slightly more support for easing, though this could take the form of communication changes rather than balance sheet expansion.
- **Philadelphia Fed Index** posted a sharp and unexpected drop in May, falling to -5.8. However, the surprisingly weak report stands in contrast to other recent manufacturing indicators.
- **Initial jobless claims** were 370k, slightly higher than consensus.

Upcoming Economic Releases <sup>1</sup>		Forecast		
Date	Indicator	GS & Co.	Consensus	Previous
Tuesday (5/22/12)	Existing Home Sales (Apr)	+4.0%	+3.1%	-2.6%
Wednesday (5/23/12)	New Home Sales (Apr)	+1.0%	+2.1%	-7.1%
Thursday (5/24/12)	Durable Goods Orders (Apr)	-0.5%	+0.5%	-3.9%

Index Returns <sup>2</sup> (as of 5/18/2012)	1 Week	MTD	QTD	YTD
S&P 500	-4.23%	-7.17%	-7.75%	3.86%
MSCI EAFE (USD)	-5.91%	-9.97%	-11.70%	-1.98%
MSCI EME (USD)	-6.51%	-11.38%	-12.41%	-0.15%
MSCI BRIC (USD)	-6.82%	-13.18%	-14.68%	-2.85%
Barclays Aggregate	0.20%	0.52%	1.63%	1.94%
Barclays US High Yield	-1.65%	-1.18%	-0.14%	5.18%
JPM Gbl. Diversified	-1.91%	-1.99%	-0.39%	3.84%
S&P GSCI	-2.03%	-8.12%	-8.59%	-3.22%
GS ART Index	-1.17%	-2.38%	-3.01%	-0.09%

Commodities <sup>2</sup>	5/18/12	4/30/12	3/30/12	12/30/11
Oil (\$/barrel)	\$91.48	\$104.87	\$103.02	\$98.83
Gold (\$/oz)	\$1,592.99	\$1,664.75	\$1,668.35	\$1,563.70
Gasoline (\$/gallon)	\$3.70	\$3.81	\$3.93	\$3.28
Copper (\$/MT)	\$7,653.00	\$8,407.00	\$8,448.50	\$7,601.00
Wheat (\$/bu.)	\$703.00	\$654.50	\$674.00	\$671.25

Currencies <sup>2</sup>	5/18/12	4/30/12	3/30/12	12/30/11
Euro (\$/€)	\$1.2780	\$1.3239	\$1.3343	\$1.2961
Pound (\$/£)	\$1.5817	\$1.6234	\$1.6008	\$1.5543
Swiss Franc (CHF/\$)	CHF 0.9397	CHF 0.9075	CHF 0.9025	CHF 0.9381
Mexican Peso (MXN/\$)	MXN 13.8158	MXN 13.0127	MXN 12.8107	MXN 13.9357
Chinese Yuan (CNY/\$)	CNY 6.3282	CNY 6.2795	CNY 6.2985	CNY 6.2950
Yen (¥/\$)	¥79.02	¥79.82	¥82.87	¥76.91

Bond Rates <sup>2</sup>	5/18/12	4/30/12	3/30/12	12/30/11
Fed Funds Target	0.25%	0.25%	0.25%	0.25%
3-Month Libor	0.47%	0.47%	0.47%	0.58%
2-Year Treasury	0.30%	0.26%	0.33%	0.24%
10-Year Treasury	1.72%	1.92%	2.21%	1.88%
2-10 slope	1.43%	1.66%	1.88%	1.64%
HY Corp. spread (bps)	647	601	592	733
IG Corp. spread (bps) <sup>4</sup>	206	185	176	234
EMD spread (bps)	392	340	330	404
LEMD spread (bps)	407	348	342	426

10-Yr Sovereign Debt <sup>2</sup>	5/18/12	4/30/12	3/30/12	12/30/11
US	1.72%	1.92%	2.21%	1.88%
Canada	1.89%	2.04%	2.11%	1.94%
Japan	0.83%	0.90%	0.99%	0.99%
UK	1.83%	2.11%	2.20%	1.98%
Germany	1.43%	1.66%	1.79%	1.83%
Australia	3.08%	3.67%	3.98%	3.67%
France	2.85%	2.96%	2.89%	3.15%
Italy	5.81%	5.51%	5.12%	7.11%
Portugal	12.25%	10.63%	11.53%	13.36%
Spain	6.27%	5.77%	5.35%	5.09%
Ireland <sup>5</sup>	7.41%	6.82%	6.85%	8.43%
Greece	29.14%	20.18%	21.08%	34.96%

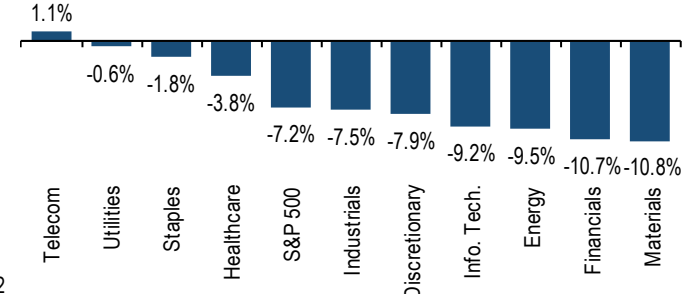
## US Equity Size & Style Returns<sup>3</sup>

Month-to-Date (as of 5/18/12)				Year-to-Date		
Value	Core	Growth		Value	Core	Growth
-6.13%	-6.37%	-8.35%	Large	1.11%	4.56%	7.56%
-8.92%	-8.73%	-9.76%	Mid	1.16%	3.53%	3.28%
-7.86%	-9.01%	-8.86%	Small	1.78%	2.16%	1.54%

## 10-Year Treasury Note Yields<sup>2</sup>



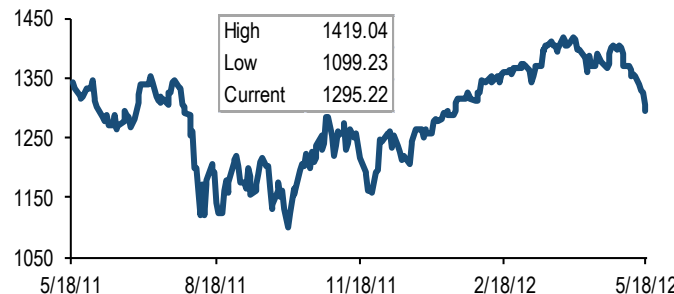
## S&P 500 Sector Returns: Month-to-Date<sup>2</sup> (As of 5/18/2012)



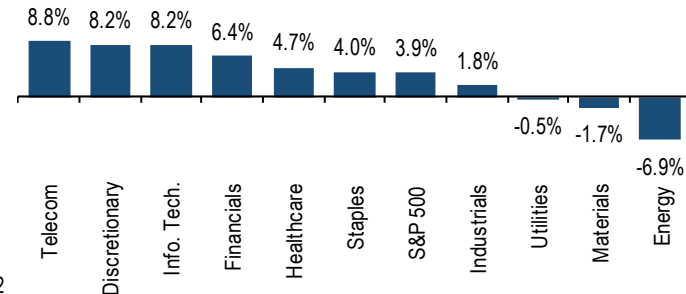
## US Fixed Income Maturity & Quality Returns<sup>3</sup>

Month-to-Date (as of 5/18/12)				Year-to-Date		
Short	Intermed.	Long		Short	Intermed.	Long
-0.05%	0.46%	5.77%	Government	0.08%	1.00%	3.69%
-0.29%	-0.29%	1.43%	Corporate	1.94%	3.92%	4.57%
-0.69%	-1.22%	-0.65%	High Yield	4.11%	4.93%	8.54%

## S&P 500 Trailing 1-Year Index Levels<sup>2</sup>



## S&P 500 Sector Returns: Year-to-Date<sup>2</sup> (As of 5/18/2012)





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**1 Source: Goldman, Sachs & Co. (as of 5/14/2012 – 5/18/2012)**

**2 Source: Bloomberg (as of 5/18/2012)**

**3 Source: Morningstar (as of 5/18/2012)**

**4 Source: Barclays Live (as of 5/18/2012)**

**5 The rates indicated here are for the country's 9-Year note.**

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