

Economic & Market news – GS & Co.¹

- **Industrial Production** was unchanged in January, in contrast to consensus expectations for a sizable increase. **Capacity Utilization** was 78.5% in January, slightly lower than consensus expectations.
- **FOMC Meeting** suggested a few Fed officials are ready to ease, but others need to see a deterioration in the outlook. Minutes did little to clarify apparent contradictions between published funds rate forecasts and forward guidance in the statement. The discussion of the outlook was broadly in line with our expectations.
- **CPI** increased by 0.2%, in contrast to consensus expectations for a 0.3% gain. **Core CPI** increased by 0.2%, in line with expectations.
- **Initial jobless claims** declined to 348k, continuing the run of positive labor market news. This is a new low in jobless claims for the cycle.

Upcoming Economic Releases ¹		Forecast		
Date	Indicator	GS & Co.	Consensus	Previous
Wednesday (2/22/12)	Existing Home Sales (Jan)	+2.0%	+0.9%	+5.0%
Friday (2/24/12)	New Home Sales (Jan)	+1.0%	+2.6%	-2.2%

Index Returns ² (as of 2/17/2012)	1 Week	MTD	QTD	YTD
S&P 500	1.48%	3.90%	8.56%	8.56%
MSCI EAFE (USD)	1.65%	4.27%	9.84%	9.84%
MSCI EME (USD)	1.97%	4.25%	16.03%	16.03%
MSCI BRIC (USD)	2.95%	5.40%	20.38%	20.38%
Barclays Aggregate	-0.15%	-0.39%	0.48%	0.48%
Barclays US High Yield	0.31%	1.12%	4.19%	4.19%
JPM Gbl. Diversified	0.54%	1.22%	2.82%	2.82%
S&P GSCI	2.16%	3.79%	6.11%	6.11%
GS ART Index	0.30%	0.89%	2.56%	2.56%

Commodities ²	2/17/12	1/31/12	12/30/11	12/31/10
Oil (\$/barrel)	\$103.24	\$98.48	\$98.83	\$91.38
Gold (\$/oz)	\$1,723.38	\$1,737.60	\$1,563.70	\$1,420.78
Gasoline (\$/gallon)	\$3.54	\$3.45	\$3.28	\$3.07
Copper (\$/MT)	\$8,176.00	\$8,319.00	\$7,601.00	\$9,615.00
Wheat (\$/bu.)	\$647.75	\$680.25	\$671.25	\$820.75

Currencies ²	2/17/12	1/31/12	12/30/11	12/31/10
Euro (\$/€)	\$1.3140	\$1.3084	\$1.2961	\$1.3384
Pound (\$/£)	\$1.5827	\$1.5760	\$1.5543	\$1.5612
Swiss Franc (CHF/\$)	CHF 0.9200	CHF 0.9202	CHF 0.9381	CHF 0.9352
Mexican Peso (MXN/\$)	MXN 12.7593	MXN 13.0456	MXN 13.9357	MXN 12.3401
Chinese Yuan (CNY/\$)	CNY 6.2991	CNY 6.3082	CNY 6.2950	CNY 6.6070
Yen (¥/\$)	¥79.55	¥76.27	¥76.91	¥81.12

Bond Rates ²	2/17/12	1/31/12	12/30/11	12/31/10
Fed Funds Target	0.25%	0.25%	0.25%	0.25%
3-Month Libor	0.49%	0.54%	0.58%	0.30%
2-Year Treasury	0.29%	0.22%	0.24%	0.60%
10-Year Treasury	2.00%	1.80%	1.88%	3.30%
2-10 slope	1.71%	1.58%	1.64%	2.70%
HY Corp. spread (bps)	614	654	733	561
IG Corp. spread (bps) ⁴	191	206	234	156
EMD spread (bps)	359	395	404	274
LEMD spread (bps)	375	412	426	289

10-Yr Sovereign Debt ²	2/17/12	1/31/12	12/30/11	12/31/10
US	2.00%	1.80%	1.88%	3.30%
Canada	2.04%	1.89%	1.94%	3.12%
Japan	0.95%	0.97%	0.99%	1.13%
UK	2.19%	1.97%	1.98%	3.40%
Germany	1.93%	1.79%	1.83%	2.96%
Australia	4.05%	3.72%	3.67%	5.55%
France	3.01%	3.05%	3.15%	3.36%
Italy	5.58%	5.95%	7.11%	4.82%
Portugal	12.27%	16.40%	13.36%	6.60%
Spain	5.25%	4.97%	5.09%	5.45%
Ireland ⁵	7.04%	7.29%	8.43%	8.87%
Greece	34.38%	34.31%	34.96%	12.47%

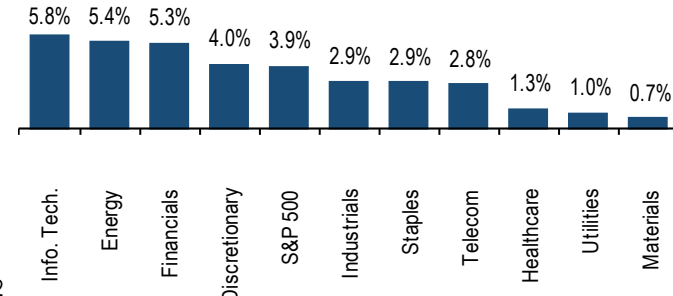
US Equity Size & Style Returns³

Month-to-Date (as of 2/17/12)				Year-to-Date		
Value	Core	Growth		Value	Core	Growth
3.07%	3.78%	4.56%	Large	5.40%	8.57%	11.12%
5.17%	4.47%	5.42%	Mid	10.51%	11.85%	13.50%
4.71%	5.48%	4.63%	Small	10.95%	12.63%	11.35%

10-Year Treasury Note Yields²



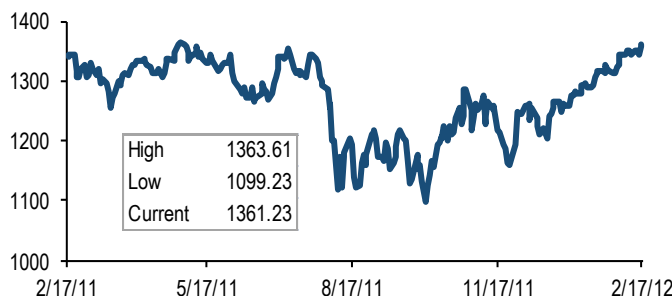
S&P 500 Sector Returns: Month-to-Date² (As of 2/17/2012)



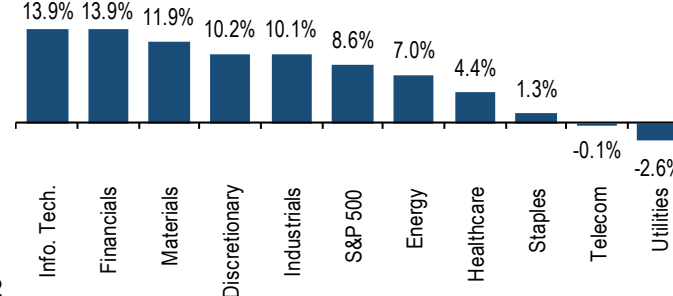
US Fixed Income Maturity & Quality Returns³

Month-to-Date (as of 2/17/12)				Year-to-Date		
Short	Intermed.	Long		Short	Intermed.	Long
-0.15%	-0.58%	-3.34%	Government	-0.03%	-0.03%	-3.52%
0.30%	0.21%	-0.96%	Corporate	1.50%	2.51%	1.31%
1.02%	1.08%	1.60%	High Yield	3.11%	4.06%	5.94%

S&P 500 Trailing 1-Year Index Levels²



S&P 500 Sector Returns: Year-to-Date² (As of 2/17/2012)





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1 Source: Goldman, Sachs & Co. (as of 2/13/2012 – 2/17/2012)

2 Source: Bloomberg (as of 2/17/2012)

3 Source: Morningstar (as of 2/17/2012)

4 Source: Barclays Live (as of 2/17/2012)

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

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