



Monthly Scorecard

November 6, 2012

Index Performance (Price Performance % Change)

Index	Price 10/31/2012	One Month	Three Months	YTD	One Year	Two Years
DJIA	13,096.46	-2.54%	0.67%	7.19%	9.55%	17.79%
S&P 500	1,412.16	-1.98%	2.38%	12.29%	12.68%	19.34%
S&P Industrials	1,888.01	-2.90%	1.69%	11.36%	12.28%	21.79%
NASDAQ Composite	2,977.23	-4.46%	1.28%	14.28%	10.91%	18.74%
Russell 2000	818.73	-2.24%	4.04%	10.50%	10.48%	16.40%
S&P TSX Composite	12,422.91	0.86%	6.50%	3.91%	1.39%	-2.00%
FTSE All Share	3,024.40	0.85%	3.32%	5.83%	5.72%	3.01%
HDax	7,260.63	0.62%	7.21%	23.10%	18.23%	9.99%
Hang Seng	21,641.82	3.85%	9.32%	17.40%	8.95%	-6.30%
Morgan Stanley EAFE	1,522.23	0.76%	5.82%	7.76%	1.14%	-5.83%
Nikkei 225	8,928.29	0.66%	2.68%	5.59%	-0.67%	-2.98%

Sector Performance (Price Performance % Change)

Sector	Price 10/31/2012	One Month	Three Months	YTD	One Year	Two Years
Consumer Discretionary	364.23	-1.63%	5.68%	18.03%	18.23%	31.25%
Consumer Staples	364.96	-1.35%	-0.91%	8.77%	14.08%	23.13%
Energy	539.94	-2.04%	3.10%	3.67%	4.27%	22.00%
Financials	213.88	1.81%	8.33%	22.05%	17.79%	9.21%
Health Care	463.30	-0.43%	4.14%	15.28%	19.30%	28.34%
Industrials	317.23	-0.65%	1.96%	8.52%	10.24%	14.19%
Information Technology	460.85	-6.81%	-1.19%	12.42%	9.32%	17.69%
Materials	227.65	-2.25%	3.49%	7.53%	4.89%	5.62%
Telecommunications	148.95	-5.21%	-4.03%	14.74%	19.96%	22.70%
Utilities	187.44	1.38%	-2.64%	2.44%	6.03%	16.54%

Note: All returns are simple price appreciation. Figures shown exclude any contribution from dividends.

Source: FactSet

CLOSER TO THE EDGE

U.S. equities finished lower in October as worries about corporate earnings in the latter half of the month trumped better-than-expected economic data earlier in the month. The S&P 500 finished down 1.98%, the Dow Jones Industrial Average fell 2.54%, and the technology-heavy Nasdaq was down 4.46%, as Information Technology stocks took a particular beating. The month had started promisingly, with stocks rising on improved economic data that included a stronger-than-expected employment report and the ISM manufacturing PMI, which jumped into expansion territory. The S&P 500 reached its highest level during the month, on October 17, when housing starts reached a four-year high—more evidence that U.S. housing continues to recover. However, after this apex, the index moved downward as earnings reports weighed on equity markets. Key companies missed expectations, and more companies continued to guide down fourth-quarter earnings. Much of the downward guidance was related to concerns surrounding the U.S. fiscal cliff. Finally, the month ended with the destruction caused by Hurricane Sandy, which has caused billions of dollars of damage and closed U.S. equity markets for two consecutive days—the last time this happened was in 1888.

From a sector perspective, only two sectors closed in positive territory—Financials were up 1.81% and Utilities gained 1.38%. The Information Technology sector took the hardest hit during the month and finished down 6.81%. This was primarily a result of increased profit warnings from key technology companies. Telecom Services fell 5.21%.

On an international level, Spain took the spotlight in Europe as investors continued to wait and see whether the country would officially ask for a bailout. It did not, and the country and several of its regions had their credit rating downgraded by S&P and Moody's. In China, while third-quarter GDP growth came in at the slowest pace since 2009, there was mounting evidence its economy is showing signs of having bottomed.

With October behind us, we are a few steps closer to the end of 2012 and to the fiscal cliff—the across-the-board tax hikes and government spending cuts that go in effect at the beginning of 2013. Unless Congress and the president agree to new legislation that mitigates or prevents the cliff, \$750 billion, or 4.6% of U.S. GDP, could

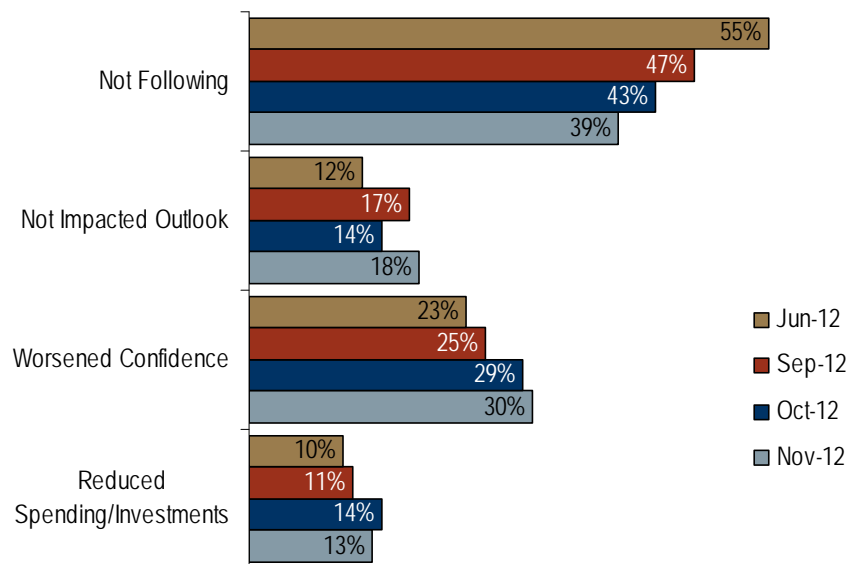
be lost in 2013, according to estimates by RBC Global Asset Management. For a long time, businesses have been well aware of the fiscal cliff's consequences. As previously mentioned, concerns about the uncertainty related to the fiscal cliff have been a key message during earnings reports from corporate leaders. Recently, consumers have become more attuned to the fiscal cliff and what it could mean for the economy. Our Chart of the Month looks at data from the latest RBC Consumer Outlook Index, which shows the number of U.S. consumers paying attention to the fiscal cliff continues to rise.

In addition, we have a further update on the fiscal cliff in the November issue of [Global Insight](#) monthly, in a special article titled, *Handicapping the Fiscal Cliff*. In the article, RBC Capital Markets' U.S. economists offer three possible trajectories for the U.S. economy in 2013, given different outcomes from the upcoming fiscal cliff negotiations. Please contact your Financial Advisor for a copy of this article.

Chart of the Month

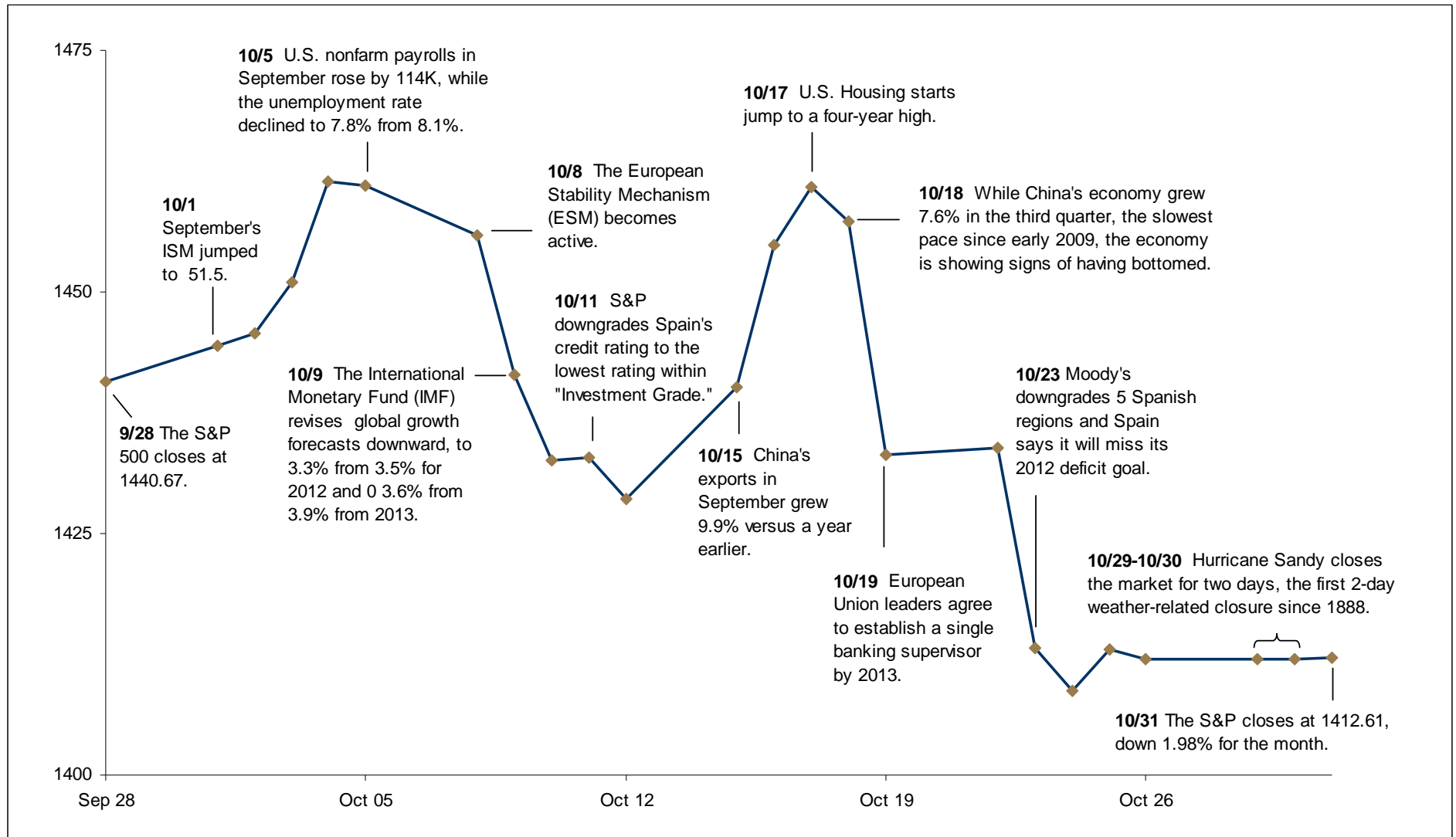
Consumer Attitudes Toward the Fiscal Cliff

Which of the following comes closest to your attitude toward the U.S. fiscal cliff?



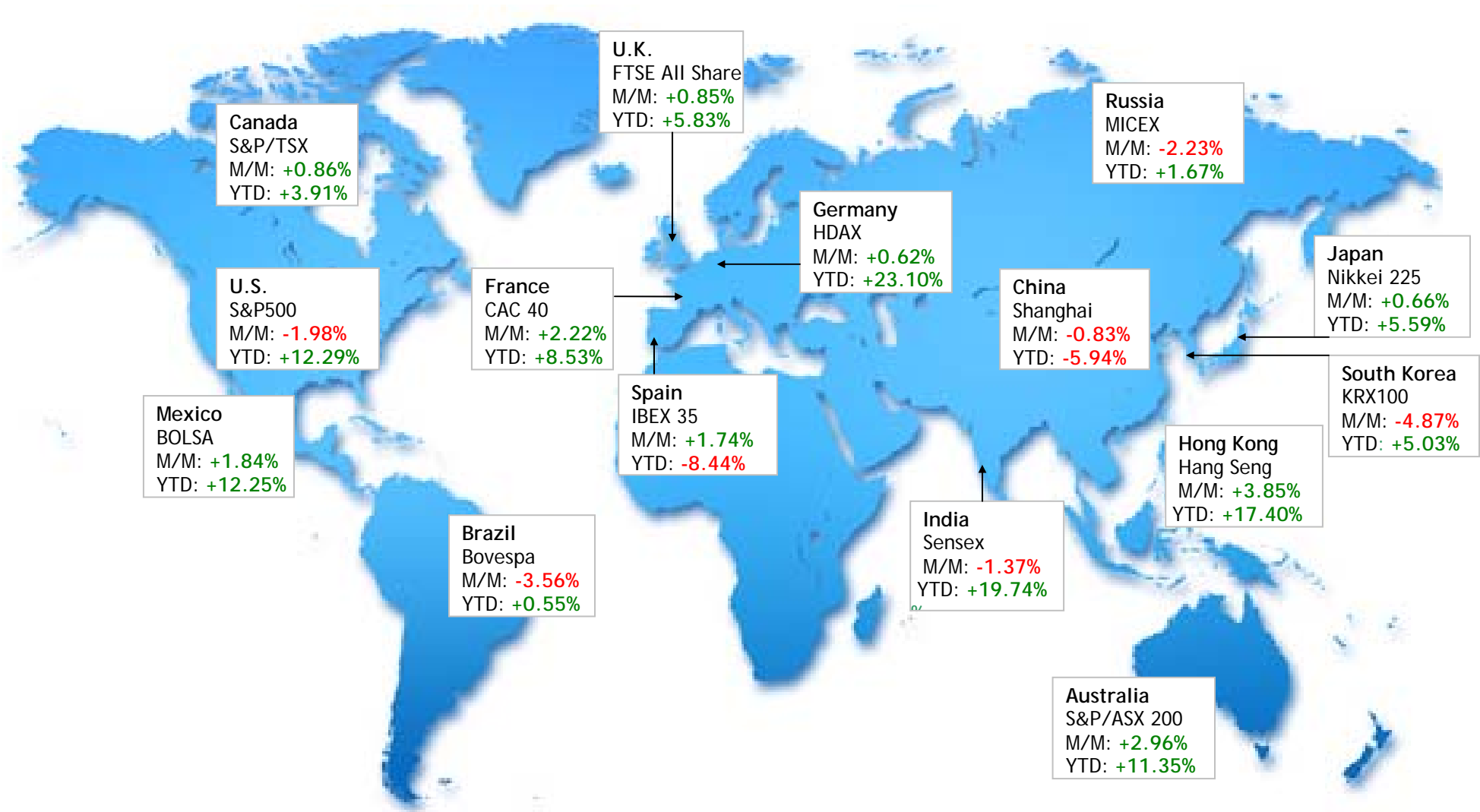
Source: RBC Capital Markets U.S. Market Economics

October-at-a-Glance – S&P 500



Source: Bloomberg and RBC Wealth Management, data through 10/31/12

World Markets – October 2012



Source: FactSet Research Systems and RBC Wealth Management, 10/31/12

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			Count	%
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