

S&P 500 Decile Performance So Far in 2010

	Decile 1	2	3	4	5	6	7	8	9	Decile 10
Market Cap (Largest to Smallest)	2.40%	3.94%	2.42%	2.53%	2.26%	4.02%	3.55%	3.76%	3.58%	6.50%
P/E Ratio (Lowest to Highest)	3.88%	2.26%	2.67%	1.72%	3.62%	2.51%	2.94%	3.30%	4.03%	8.04%
Dividend Yield (Highest to Lowest)*	0.54%	1.88%	2.73%	2.40%	3.51%	2.36%	7.08%	6.25%	6.31%	3.08%
Short Interest (Lowest to Highest)	3.05%	3.01%	2.38%	2.70%	2.79%	5.18%	3.21%	2.95%	3.77%	5.92%
Analyst Ratings (Best to Worst)	2.61%	2.77%	2.93%	3.01%	2.38%	2.55%	3.52%	4.89%	4.71%	5.58%
Institutional Ownership (Most to Least)	3.31%	3.64%	3.00%	4.01%	3.04%	3.54%	3.64%	3.87%	3.01%	3.91%
International Revenues (Most to Least)**	1.44%	4.48%	3.18%	3.65%	4.80%	2.66%	2.72%	3.99%	3.12%	4.05%
% Chg in 2009 (Best to Worst)	3.29%	4.22%	3.42%	4.48%	2.87%	3.73%	3.34%	1.77%	1.99%	5.85%

*Decile 10 of dividend yield category is made up of all stocks that pay no dividend.

**Decile 10 of international revenues category is made up of all stocks that have no international revenues.

2010 has picked up right where 2009 left off in terms of market performance. So far this year, the average

S&P 500 stock is up 3.5%. We ran our decile analysis on the index to see which stock characteristics are leading the way so far this year. (For each characteristic, we break the index into 10 groups of 50 stocks and then calculate the average YTD performance of all the stocks in each group.)

So far this year, the 50 smallest stocks have significantly outperformed with a gain of 6.5%. The largest stocks have lagged. The 50 stocks with the highest P/E ratio (some have negative P/Es) have rallied a whopping 8.04%, while the stocks with the lowest valuations have lagged. Stocks with the highest dividend yields have barely gone up, while stocks with low yields are outperforming. The stocks with high short interest are outperforming, while ones with low short interest are underperforming. In terms of analyst ratings, the stocks least liked are up the most, while the most loved names are up the least. Neither institutional ownership nor International revenues have impacted performance much this year, as there are no trends across deciles. A stock's performance in 2009 also hasn't impacted performance in 2010 that much, although the 50 stocks that went up the least last year have done very well so far this year.

Based on this analysis, the smallest stocks, with high P/E ratios, low dividend yields, high short interest, and poor analyst ratings have done the best in 2010. These are the so-called "junk" names that we've seen do well throughout the current bull market. Expect this trend to continue as long as the rally remains intact.