

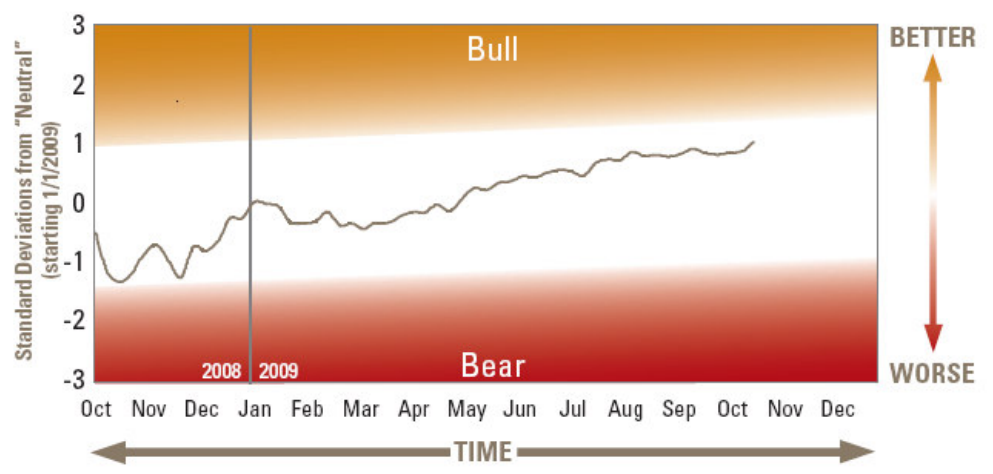
# Current Conditions Index



October 21, 2009

Over the past week, the LPL Financial Current Conditions Index advanced to 1.0 from 0.8. The index reflects current conditions aligned with the high end of our base case outlook, established at the end of last year, for mid-teen gains in the stock market and mid-single digits gains in the bond market in 2009, as measured by the S&P 500 index and the Barclays Aggregate Index respectively. The markets have already achieved these gains. However, CCI implies the economy and markets are on track for an outcome somewhat better than our original base case outlook for 2009.

## LPL Research Current Conditions Index

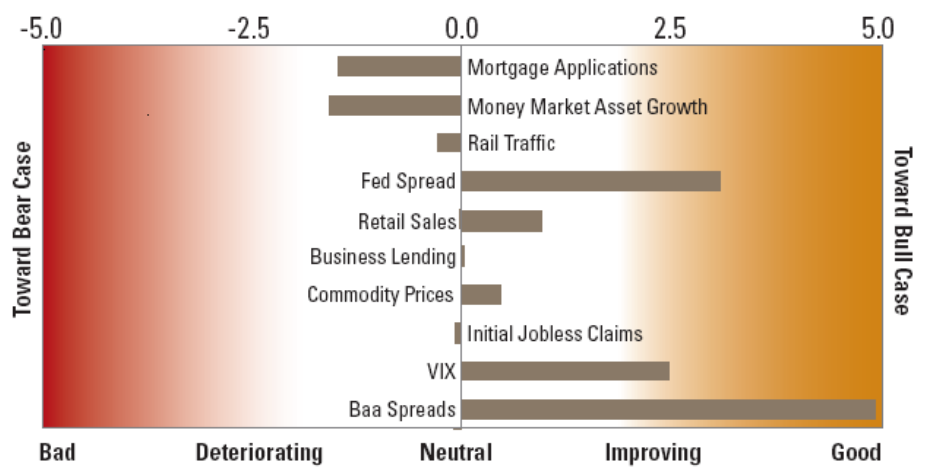


Source: LPL Financial

The primary drivers of the improvement were in Retail Sales, Shipping Traffic, Commodities, Money Market Fund Assets, and the VIX\*—a market based estimate of future stock market volatility and a gauge of the fear present in the stock market. These were only slightly offset by modest deterioration in Baa Spreads and Mortgage Applications (as the 30 year fixed mortgage rate bobbed back up over 5%). Most components of the CCI have improved since the start of the year.

## LPL RESEARCH CURRENT CONDITIONS INDEX COMPONENTS

STANDARD DEVIATIONS FROM "NEUTRAL" SINCE 1/1/2009



Source: LPL Financial

## CURRENT SNAPSHOT

Component of CCI Index	This Week	One Week Ago	Four Weeks Ago
BAA Spreads	4.7	4.9	4.8
VIX	2.7	2.5	2.3
Initial Jobless Claims	-0.1	-0.1	-0.6
Commodities	0.7	0.5	0.4
Business Lending	-0.1	0.0	0.2
Retail Sales	1.9	1.0	0.7
Fed Spread	3.2	3.1	3.1
Shipping Traffic	0.3	-0.3	0.6
Money Market Fund Assets	-1.4	-1.6	-1.1
Mortgage Applications	-1.9	-1.5	-1.8
CCI	1.0	0.8	0.9

Source: LPL Financial