

Stock Index Performance

Index	Week	YTD	12-mo.	2015	5-yr.
Dow Jones Industrial Avg. (18,138)	-0.56%	6.28%	10.07%	0.21%	12.07%
S&P 500 (2,133)	-0.95%	6.17%	9.32%	1.37%	14.14%
NASDAQ 100 (4,808)	-1.15%	5.75%	12.06%	9.75%	16.71%
S&P 500 Growth	-0.85%	4.67%	8.64%	5.51%	14.39%
S&P 500 Value	-1.06%	7.74%	9.87%	-3.14%	13.84%
S&P MidCap 400 Growth	-0.96%	7.23%	7.54%	2.01%	12.95%
S&P MidCap 400 Value	-0.85%	12.98%	10.27%	-6.66%	14.72%
S&P SmallCap 600 Growth	-1.78%	8.56%	9.46%	2.74%	14.65%
S&P SmallCap 600 Value	-1.51%	13.39%	12.95%	-6.70%	15.12%
MSCI EAFE	-1.40%	-0.47%	-1.05%	-0.81%	5.56%
MSCI World (ex US)	-1.37%	4.01%	1.42%	-5.66%	4.34%
MSCI World	-1.08%	3.64%	4.59%	-0.87%	9.61%
MSCI Emerging Markets	-1.94%	15.24%	8.11%	-14.92%	1.63%
S&P GSCI	0.43%	7.72%	-11.56%	-32.86%	-13.54%

Source: Bloomberg. Returns are total returns. The 5-yr. return is an average annual. One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 10/14/16.

S&P Sector Performance

Index	Week	YTD	12-mo.	2015	5-yr.
Consumer Discretionary	-1.14%	2.11%	4.32%	10.11%	17.26%
Consumer Staples	0.04%	5.76%	10.32%	6.60%	14.15%
Energy	-1.13%	17.37%	5.96%	-21.12%	3.22%
Financials	-1.01%	2.00%	6.83%	-1.56%	15.89%
Health Care	-3.22%	-2.13%	4.78%	6.89%	18.32%
Industrials	-0.62%	8.63%	11.63%	-2.56%	14.83%
Information Technology	-0.59%	11.77%	16.36%	5.92%	15.34%
Materials	-1.19%	8.13%	7.69%	-8.38%	9.07%
Telecom Services	0.66%	15.35%	20.32%	3.40%	11.12%
Utilities	1.34%	13.19%	12.31%	-4.84%	11.30%

Source: Bloomberg. Returns are total returns. The 5-yr. return is an average annual. One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 10/14/16.

Bond Index Performance

Index	Week	YTD	12-mo.	2015	5-yr.
U.S. Treasury: Intermediate	-0.06%	2.86%	1.56%	1.18%	1.33%
GNMA 30 Year	-0.03%	3.16%	2.92%	1.41%	2.05%
U.S. Aggregate	-0.16%	5.08%	3.85%	0.55%	2.35%
U.S. Corporate High Yield	0.10%	15.74%	11.19%	-4.47%	5.70%
U.S. Corporate Investment Grade	-0.12%	8.56%	6.89%	-0.68%	3.36%
Municipal Bond: Long Bond (22+)	-0.65%	4.48%	6.79%	4.52%	4.54%
Global Aggregate	-0.90%	7.37%	4.77%	-3.15%	0.28%

Source: Barclays Capital. Returns are total returns. The 5-yr. return is an average annual. One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 10/14/16.

Key Rates

As of 10/14/16

Fed Funds	0.25-0.50%	5-yr CD	1.63%
LIBOR (1-month)	0.53%	2-yr T-Note	0.84%
CPI - Headline	1.10%	5-yr T-Note	1.29%
CPI - Core	2.30%	10-yr T-Note	1.80%
Money Market Accts.	0.52%	30-yr T-Bond	2.56%
Money Market Funds	0.13%	30-yr Mortgage Refinance	3.49%
6-mo CD	0.67%	Prime Rate	3.50%
1-yr CD	1.15%	Bond Buyer 40	3.94%

Sources: Bankrate.com, iMoneyNet.com and Bloomberg.

Market Indicators

As of 10/14/16

TED Spread	58 bps
Investment Grade Spread (A2)	150 bps
ML High Yield Master II Index Spread	472 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 10/5/16

	Current Week	Previous
Domestic Equity	-\$7.549 Billion	-\$2.266 Billion
Foreign Equity	-\$4.109 Billion	-\$2.328 Billion
Taxable Bond	\$4.696 Billion	\$3.909 Billion
Municipal Bond	\$787 Million	\$1.055 Billion

Change in Money Market Fund Assets for the Week Ended 10/12/16

	Current Week	Previous
Retail	-\$3.41 Billion	\$15.98 Billion
Institutional	-\$2.81 Billion	-\$41.04 Billion

Source: Investment Company Institute.

Factoids for the week of October 10-14, 2016

Monday, October 10, 2016

CoreLogic estimates that the economic cost of Hurricane Matthew will be at least in the \$4 billion to \$6 billion range, according to USA TODAY. The majority of damage to insured residential and commercial properties came from wind and storm surge. CoreLogic estimates that 90% of the insurance claims will be related to wind damage, while the other 10% will stem from storm surge. So far in 2016, the U.S. has endured 12 separate weather disasters that resulted in damages topping the \$1 billion mark, according to the National Oceanic and Atmospheric Administration. That is the second-highest number for a calendar year. In 2011, there were 16.

Tuesday, October 11, 2016

Moody's reported that its global speculative-grade default rate stood at 4.5% at the end of Q3'16, according to its own release. It sees the rate falling to 4.4% by December 2016, and then falling to 3.3% by September 2017. Moody's puts the historical average default rate at 4.2% since 1983. Year-to-date, the number of defaults totaled 115, up from 75 in the first nine months of 2015. The U.S. speculative-grade default rate stood at 5.4% at the end of Q3'16. It sees the U.S. rate rising to 5.9% by December 2016, but then falling to 4.1% by September 2017. The default rate on senior loans stood at 2.23% in September, according to S&P Capital IQ. The historical average has been 2.80% since 2003.

Wednesday, October 12, 2016

Moody's Investors Service reported that the combination of weak investment performance and insufficient contributions will cause total unfunded liabilities for U.S. state public pensions to expand by 40% to \$1.75 trillion through fiscal 2017, according to Reuters. Moody's noted that state public pension funds earned a median 0.52% on investments in fiscal 2016 (thru June), well below their average assumed return rate of 7.5%. Half of U.S. states did not put enough money into their retirement systems in 2015 to curb the growth of underfunded liabilities.

Thursday, October 13, 2016

The National Retail Federation (NRF) announced on 10/4/16 that it expects 2016 holiday sales (November and December), excluding autos, gasoline and restaurant sales, to increase by 3.6% (y-o-y) to \$655.8 billion, according to its own release. Holiday sales in 2015 rose by 3.2% (y-o-y). The NRF noted that the average rate of increase over the past 10 years was 2.5%.

Friday, October 14, 2016

The S&P Dow Jones Indices, which tracks approximately 10,000 U.S. traded stocks, announced that total stock dividend distributions increased by a net (increases less decreases) \$6.0 billion in Q3'16, down significantly from the \$10.0 billion increase registered in Q3'15, and down from the \$7.3 billion increase in Q2'16, according to its own release. For the 12-month period ended Q3'16, dividend increases (net) totaled \$20.8 billion, down 55.8% from the \$47.1 billion posted for the 12-month period ended Q3'15. In Q3'16, there were 427 dividend increases, down from the 497 increases in Q3'15. The number of dividends cut or suspended in Q3'16 totaled 115, up from the 105 cut or suspended in Q3'15. Energy issues accounted for 39.0% of the dividend reductions and 33% of the dollar cuts in Q3'16, which reflects improvement from Q2'16's 43% and 71% dividend and dollar cuts, according to Howard Silverblatt, senior index analyst at S&P Dow Jones Indices.