

Stock Index Performance

Index	Week	YTD	12-mo.	2016	5-yr.
Dow Jones Industrial Avg. (20,624)	1.88%	4.77%	28.58%	16.50%	12.55%
S&P 500 (2,351)	1.60%	5.32%	24.60%	11.95%	13.94%
NASDAQ 100 (5,325)	1.96%	9.70%	28.32%	7.27%	17.04%
S&P 500 Growth	1.53%	6.59%	21.39%	6.89%	14.28%
S&P 500 Value	1.67%	3.89%	27.79%	17.39%	13.45%
S&P MidCap 400 Growth	1.08%	5.36%	30.02%	14.76%	12.86%
S&P MidCap 400 Value	0.57%	3.79%	38.62%	26.52%	14.33%
S&P SmallCap 600 Growth	0.93%	3.05%	37.59%	22.07%	14.84%
S&P SmallCap 600 Value	0.39%	1.19%	42.16%	31.21%	14.26%
MSCI EAFE	0.86%	4.35%	15.85%	1.00%	5.45%
MSCI World (ex US)	0.87%	5.53%	20.00%	4.50%	3.94%
MSCI World	1.26%	5.05%	21.38%	7.51%	9.57%
MSCI Emerging Markets	0.97%	8.97%	30.67%	11.19%	0.00%
S&P GSCI	-1.45%	-1.00%	19.93%	11.37%	-14.32%

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 2/17/17. An index cannot be purchased directly by investors. Past performance is no guarantee of future results.

S&P Sector Performance

Index	Week	YTD	12-mo.	2016	5-yr.
Consumer Discretionary	1.07%	6.49%	20.87%	6.03%	17.00%
Consumer Staples	1.74%	5.38%	9.96%	5.38%	13.60%
Energy	-1.81%	-5.08%	24.42%	27.36%	1.45%
Financials	2.98%	5.26%	45.83%	22.75%	17.54%
Health Care	2.59%	6.96%	12.81%	-2.69%	17.34%
Industrials	1.84%	5.38%	29.30%	18.85%	14.55%
Information Technology	1.89%	9.41%	32.94%	13.85%	15.44%
Materials	0.37%	5.32%	28.90%	16.69%	9.19%
Telecom Services	0.25%	-3.50%	9.84%	23.49%	10.85%
Utilities	0.58%	2.05%	12.19%	16.29%	11.38%

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 2/17/17. An index cannot be purchased directly by investors. Past performance is no guarantee of future results.

Bond Index Performance

Index	Week	YTD	12-mo.	2016	5-yr.
U.S. Treasury: Intermediate	-0.03%	0.30%	-0.60%	1.06%	1.10%
GNMA 30 Year	0.00%	0.09%	0.44%	1.57%	1.77%
U.S. Aggregate	-0.02%	0.44%	1.51%	2.65%	2.22%
U.S. Corporate High Yield	0.20%	2.20%	23.80%	17.13%	6.94%
U.S. Corporate Investment Grade	0.09%	0.72%	6.97%	6.11%	3.87%
Municipal Bond: Long Bond (22+)	-0.16%	0.66%	0.14%	0.88%	4.28%
Global Aggregate	0.15%	0.89%	0.14%	2.09%	0.21%

Source: Barclays. Returns are total returns. The 5-yr. return is an average annual. One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 2/17/17. An index cannot be purchased directly by investors. Past performance is no guarantee of future results.

Key Rates

As of 2/17/17

Fed Funds	0.50-0.75%	5-yr CD	1.81%
LIBOR (1-month)	0.77%	2-yr T-Note	1.19%
CPI - Headline	2.50%	5-yr T-Note	1.90%
CPI - Core	2.30%	10-yr T-Note	2.42%
Money Market Accts.	0.54%	30-yr T-Bond	3.02%
Money Market Funds	0.26%	30-yr Mortgage Refinance	4.05%
6-mo CD	0.75%	Prime Rate	3.75%
1-yr CD	1.23%	Bond Buyer 40	4.27%

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

Market Indicators

As of 2/17/17

TED Spread	53 bps
Investment Grade Spread (A2)	135 bps
ML High Yield Master II Index Spread	386 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 2/8/17

	Current Week	Previous
Domestic Equity	-\$31 Million	-\$906 Million
Foreign Equity	\$1.636 Billion	\$766 Million
Taxable Bond	\$6.870 Billion	\$4.023 Billion
Municipal Bond	\$961 Million	\$918 Million

Change in Money Market Fund Assets for the Week Ended 2/15/17

	Current Week	Previous
Retail	-\$3.21 Billion	\$2.59 Billion
Institutional	\$1.18 Billion	-\$5.82 Billion

Source: Investment Company Institute.

Factoids for the week of February 13, 2017

Monday, February 13, 2017

Moody's reported that its global speculative-grade default rate stood at 4.6% in January 2017, according to its own release. It sees the rate falling to 3.0% by December 2017. Moody's puts the historical average default rate at 4.3% since 1983. The U.S. speculative-grade default rate stood at 5.8% in January. It sees the U.S. rate falling to 3.6% by December 2017. The default rate on senior loans stood at 1.77% in January, according to S&P Global Market Intelligence.

Tuesday, February 14, 2017

Data from the Independent Community Bankers of America indicates that there were 5,521 community banks in the U.S. as of September 2016, down 25.8% from 7,442 at the close of 2008, when the banking crisis was still in its early days, according to the Associated Press. The Federal Deposit Insurance Corporation has reported nearly 500 bank failures since 2009, most of them small banks. Others have merged in order to cut costs and remain in business. Industry groups blame increased regulation, including the Dodd-Frank bill passed by Congress in 2010, for the downsizing of the community banking industry. President Trump recently signed an executive order directing the Treasury secretary to review Dodd-Frank and its thousands of regulations.

Wednesday, February 15, 2017

The Internal Revenue Service (IRS) estimates that more than 70% of taxpayers will get a refund check this year, according to its own release. Last year, 111 million refunds were issued, with an average refund of \$2,860, up \$63 from the previous year. The IRS is expecting to process over 153 million returns this year and it estimates that more than 80% of them will be filed electronically.

Thursday, February 16, 2017

Based on patents, the U.S. is by far the most innovative country, according to data from HowMuch.net. A patent, in short, is government protection of intellectual property. As of 2015, the U.S. held 3,030,080 patents. Japan, Germany, South Korea and Taiwan rounded out the top five with 1,069,394 patents, 365,627 patents, 166,353 patents and 162,732 patents, respectively. In the U.S., California's 638,358 patents topped all other states. New York, Texas, Illinois and New Jersey rounded out the top five with 222,328 patents, 193,631 patents, 142,416 patents and 140,358 patents, respectively.

Friday, February 17, 2017

In 2016, global merger and acquisition (M&A) transactions totaled \$3.9 trillion, the third largest year on record, according to J.P. Morgan and Dealogic. The two biggest years were 2015 (\$4.7 trillion) and 2007 (\$4.6 trillion). The average over the past 10 years was \$3.3 trillion. Cash deals accounted for 62% of M&A transactions in 2016, up from 54% in 2015. J.P. Morgan expects volume in 2017 to be consistent with 2016's solid showing as companies seek deals to complement modest organic growth.