

Stock Index Performance

Index	Week	YTD	12-mo.	2016	5-yr.
Dow Jones Industrial Avg. (20,897)	-0.35%	6.69%	20.98%	16.50%	13.06%
S&P 500 (2,391)	-0.26%	7.58%	18.29%	11.95%	14.45%
NASDAQ 100 (5,687)	0.79%	17.42%	32.56%	7.27%	18.32%
S&P 500 Growth	0.19%	11.78%	19.44%	6.89%	15.09%
S&P 500 Value	-0.81%	2.85%	16.44%	17.39%	13.60%
S&P MidCap 400 Growth	-0.90%	6.51%	19.09%	14.76%	13.43%
S&P MidCap 400 Value	-1.24%	1.41%	20.43%	26.52%	14.28%
S&P SmallCap 600 Growth	-1.03%	2.20%	25.50%	22.07%	15.04%
S&P SmallCap 600 Value	-1.36%	-1.39%	23.21%	31.21%	14.88%
MSCI EAFE	0.32%	12.34%	16.63%	1.00%	8.20%
MSCI World (ex US)	0.76%	12.45%	18.36%	4.50%	6.59%
MSCI World	-0.10%	8.97%	17.00%	7.51%	10.99%
MSCI Emerging Markets	2.48%	16.80%	27.17%	11.19%	3.11%
S&P GSCI	1.96%	-8.13%	-4.72%	11.37%	-14.36%

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 5/12/17. 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	-0.30%	10.88%	15.81%	6.03%	17.17%
Consumer Staples	-0.46%	7.06%	5.02%	5.38%	13.06%
Energy	0.66%	-9.41%	4.07%	27.36%	2.38%
Financials	-1.24%	1.70%	27.68%	22.75%	16.63%
Health Care	-0.88%	9.75%	10.53%	-2.69%	17.29%
Industrials	-1.08%	6.23%	20.14%	18.85%	15.56%
Information Technology	1.23%	18.46%	38.20%	13.85%	17.30%
Materials	-1.60%	6.37%	15.84%	16.69%	10.78%
Telecom Services	-0.64%	-8.82%	-2.39%	23.49%	7.69%
Utilities	-0.01%	7.35%	8.02%	16.29%	11.72%

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 5/12/17. 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	0.14%	1.00%	-0.43%	1.06%	1.08%
GNMA 30 Year	0.11%	0.80%	0.30%	1.57%	1.73%
U.S. Aggregate	0.20%	1.56%	0.57%	2.65%	2.20%
U.S. Corporate High Yield	0.30%	4.09%	13.99%	17.13%	6.78%
U.S. Corporate Investment Grade	0.38%	2.45%	3.14%	6.11%	3.83%
Municipal Bond: Long Bond (22+)	0.30%	2.97%	-0.28%	0.88%	4.24%
Global Aggregate	-0.21%	2.56%	-2.17%	2.09%	0.37%

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 5/12/17. An index cannot be purchased directly by investors. Past performance is no guarantee of future results.

Key Rates

As of 5/12/17

Fed Funds	0.75-1.00%	5-yr CD	2.06%
LIBOR (1-month)	0.99%	2-yr T-Note	1.29%
CPI - Headline	2.20%	5-yr T-Note	1.85%
CPI - Core	1.90%	10-yr T-Note	2.33%
Money Market Accts.	0.59%	30-yr T-Bond	2.99%
Money Market Funds	0.26%	30-yr Mortgage Refinance	3.91%
6-mo CD	0.76%	Prime Rate	4.00%
1-yr CD	1.34%	Bond Buyer 40	4.18%

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

Market Indicators

As of 5/12/17

TED Spread	29 bps
Investment Grade Spread (A2)	131 bps
ML High Yield Master II Index Spread	377 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 5/3/17

	Current Week	Previous
Domestic Equity	-\$5.404 Billion	-\$6.498 Billion
Foreign Equity	\$3.054 Billion	\$3.019 Billion
Taxable Bond	\$5.193 Billion	\$4.291 Billion
Municipal Bond	\$204 Million	\$697 Million

Change in Money Market Fund Assets for the Week Ended 5/10/17

	Current Week	Previous
Retail	-\$3.94 Billion	\$2.90 Billion
Institutional	\$10.10 Billion	-\$1.27 Billion

Source: Investment Company Institute.

Factoids for the week of May 8, 2017

Monday, May 8, 2017

With over 400 companies in the S&P 500 Index having reported their Q1'17 earnings results, the index is on pace for 16.2% EPS growth, topping the 9.1% growth rate estimate set at the beginning of earnings season, according to Bloomberg. To date, 71.2% of companies have topped their consensus earnings estimates. Information Technology has posted the highest beat rate of any sector at 85.7%. It also carries the highest weighting in the index at 22.5% (as of 4/28/17), according to S&P Dow Jones Indices. Year-to-date through 5/5, the S&P 500 Information Technology Index posted a total return of 17.02%, the highest of any sector. The S&P 500 Index was up 7.86%.

Tuesday, May 9, 2017

The Economic Policy Institute reported that the average unemployment rate for young college graduates was 5.6% between March 2016 and February 2017, slightly above the 5.5% average registered in 2007, just prior to the last recession, according to MarketWatch. Over the same period, the unemployment rate for young high school graduates averaged 16.9%, compared to 15.9% in 2007. While the unemployment rate has essentially rebounded to pre-recession levels for college graduates, the underemployment rate remains a challenge. It stood at an average of 11.9% between March 2016 and February 2017, compared to 9.6% in 2007. That rate stood at 7.1% in 2000.

Wednesday, May 10, 2017

Christie's International Real Estate reported that sales of homes priced at \$1 million or more edged higher by 1.0% worldwide (101 markets) in 2016, according to Fox Business. That reflected a slowdown from 2015 and 2014, when the number of luxury homes sold rose 8.0% and 16%, respectively. In 2016, luxury home prices increased by around 2.0%. A record high 11 homes sold for more than \$100 million. The most expensive home sold for \$270 million in Hong Kong.

Thursday, May 11, 2017

Moody's reported that its global speculative-grade default rate stood at 3.6% in April 2017, according to its own release. It sees the rate falling to 2.6% by December 2017. Year-to-date through April, a total of 29 Moody's-rated issuers defaulted, down from 57 over the same period a year ago. Moody's puts the historical average default rate at around 4.3% since 1983. The U.S. speculative-grade default rate stood at 4.5% in April 2017. It sees the U.S. rate falling to 3.0% by December 2017. The default rate on senior loans stood at 1.37% in April 2017, according to S&P Global Market Intelligence.

Friday, May 12, 2017

A report released yesterday by Bank of America Merrill Lynch stated that biotechnology stocks are the cheapest they have been since at least 1992, according to Bloomberg. Based on forward-looking price-to-earnings (P/E) ratios, biotech stocks currently have a P/E ratio that is more than 20% below the P/E ratio on the S&P 500 Index. Typically, biotech stocks trade at a 40% premium to the market. Drug spending in the U.S. totaled \$323 billion in 2016 and is expected to rise to \$375-405 billion by 2021, according to QuintilesIMS. It expects a deep late-phase R&D pipeline (2,346 novel products) to yield an average of 40-45 new drug launches per year through 2021.