

Stock Index Performance

| Index | Week | YTD | 12-mo. | 2017 | 5-yr. |
|------------------------------------|-------|-------|--------|--------|---------|
| Dow Jones Industrial Avg. (25,296) | 2.37% | 2.37% | 30.19% | 28.11% | 16.30% |
| S&P 500 (2,743) | 2.63% | 2.63% | 23.33% | 21.82% | 15.71% |
| NASDAQ 100 (6,653) | 4.05% | 4.05% | 35.52% | 32.99% | 21.04% |
| S&P 500 Growth | 3.25% | 3.25% | 29.48% | 27.43% | 17.13% |
| S&P 500 Value | 1.98% | 1.98% | 16.35% | 15.35% | 13.95% |
| S&P MidCap 400 Growth | 2.46% | 2.46% | 21.49% | 19.91% | 14.69% |
| S&P MidCap 400 Value | 1.28% | 1.28% | 11.87% | 12.30% | 14.26% |
| S&P SmallCap 600 Growth | 1.43% | 1.43% | 15.43% | 14.71% | 15.90% |
| S&P SmallCap 600 Value | 1.36% | 1.36% | 11.90% | 11.43% | 14.98% |
| MSCI EAFE | 2.45% | 2.45% | 25.28% | 25.03% | 8.02% |
| MSCI World (ex US) | 2.75% | 2.75% | 27.71% | 27.19% | 6.97% |
| MSCI World | 2.54% | 2.54% | 23.29% | 22.40% | 11.66% |
| MSCI Emerging Markets | 3.69% | 3.69% | 39.20% | 37.28% | 4.66% |
| S&P GSCI | 0.33% | 0.33% | 6.20% | 5.77% | -12.09% |

Source: **Bloomberg**. Returns are total returns. **5-yr. return is an average annual.** One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 1/5/18. 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. | 2017 | 5-yr. |
|------------------------|--------|--------|--------|--------|--------|
| Consumer Discretionary | 3.28% | 3.28% | 24.66% | 22.98% | 17.74% |
| Consumer Staples | 0.11% | 0.11% | 12.91% | 13.49% | 12.69% |
| Energy | 3.94% | 3.94% | 2.34% | -1.01% | 2.90% |
| Financials | 1.79% | 1.79% | 23.24% | 22.14% | 17.63% |
| Health Care | 3.26% | 3.26% | 22.84% | 22.08% | 17.78% |
| Industrials | 2.81% | 2.81% | 23.39% | 21.01% | 16.62% |
| Information Technology | 4.24% | 4.24% | 42.57% | 38.83% | 21.44% |
| Materials | 4.06% | 4.06% | 26.50% | 23.84% | 12.44% |
| Real Estate | -1.93% | -1.93% | 6.41% | 10.85% | 6.35% |
| Telecom Services | -1.29% | -1.29% | -4.01% | -1.25% | 6.64% |
| Utilities | -2.50% | -2.50% | 9.16% | 12.11% | 11.51% |

Source: **Bloomberg**. Returns are total returns. **5-yr. return is an average annual.** One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 1/5/18. An index cannot be purchased directly by investors. Past performance is no guarantee of future results.

Bond Index Performance

| Index | Week | YTD | 12-mo. | 2017 | 5-yr. |
|---------------------------------|--------|--------|--------|-------|-------|
| U.S. Treasury: Intermediate | -0.25% | -0.25% | 0.65% | 1.14% | 0.94% |
| GNMA 30 Year | -0.20% | -0.20% | 1.50% | 1.87% | 1.71% |
| U.S. Aggregate | -0.32% | -0.32% | 2.75% | 3.54% | 2.12% |
| U.S. Corporate High Yield | 0.73% | 0.73% | 7.37% | 7.51% | 5.77% |
| U.S. Corporate Investment Grade | -0.42% | -0.42% | 5.26% | 6.42% | 3.49% |
| Municipal Bond: Long Bond (22+) | -0.10% | -0.10% | 7.52% | 8.19% | 4.36% |
| Global Aggregate | -0.10% | -0.10% | 6.85% | 7.40% | 1.00% |

Source: **Bloomberg Barclays**. Returns are total returns. **5-yr. return is an average annual.** One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 1/5/18. An index cannot be purchased directly by investors. Past performance is no guarantee of future results.

Key Rates

| | | | |
|---------------------|------------|--------------------------|-------|
| Fed Funds | 1.25-1.50% | 5-yr CD | 2.21% |
| LIBOR (1-month) | 1.56% | 2-yr T-Note | 1.96% |
| CPI - Headline | 2.20% | 5-yr T-Note | 2.29% |
| CPI - Core | 1.70% | 10-yr T-Note | 2.48% |
| Money Market Accts. | 0.78% | 30-yr T-Bond | 2.81% |
| Prime Money Funds | 0.93% | 30-yr Mortgage Refinance | 3.84% |
| 1-yr CD | 1.72% | Prime Rate | 4.50% |
| 3-yr CD | 1.92% | Bond Buyer 40 | 3.81% |

Sources: **Bankrate.com, Barron's and Bloomberg**. The rate shown for Prime Money Funds is as of 1/3/18. All other rates are as of 1/5/18.

Market Indicators

As of 1/5/18

| | |
|--------------------------------------|---------|
| TED Spread | 30 bps |
| Investment Grade Spread (A2) | 107 bps |
| ML High Yield Master II Index Spread | 336 bps |

Source: **Bloomberg**.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 12/27/17

| | Current Week | Previous |
|-----------------|------------------|-------------------|
| Domestic Equity | -\$3.119 Billion | -\$12.902 Billion |
| Foreign Equity | \$1.025 Billion | \$857 Million |
| Taxable Bond | \$3.021 Billion | \$952 Million |
| Municipal Bond | -\$454 Million | -\$203 Million |

Change in Money Market Fund Assets for the Week Ended 1/3/18

| | Current Week | Previous |
|---------------|------------------|-----------------|
| Retail | \$7.56 Billion | \$0.38 Billion |
| Institutional | -\$15.15 Billion | \$21.93 Billion |

Source: **Investment Company Institute**.

Factoids for the week of January 1, 2018

Monday, January 1, 2018

No Factoid. Holiday – New Year's Day.

Tuesday, January 2, 2018

In December, the dividend-payers (417) in the S&P 500 Index (equal weight) posted a total return of 1.28%, vs. 1.12% for the non-payers (88), according to S&P Dow Jones Indices. There are currently 505 stocks in the index. In 2017, payers were up 18.75%, vs. a gain of 15.53% for the non-payers. In 2017, the number of dividend increases totaled 351, up from 342 increases in 2016. Nine dividends were decreased in 2017, down from 17 in 2016.

Wednesday, January 3, 2018

Global mergers and acquisitions (M&A) deal volume totaled \$3.54 trillion in 2017, down slightly from the \$3.59 trillion posted in 2016, according Reuters. Since 2008, the most active year for global M&A was 2015, when volume totaled \$4.22 trillion. A 16% year-over-year decline in M&A in the U.S. to \$1.4 trillion was offset by a 16% rise in Europe to \$856 billion and an 11% rise in Asia-Pacific activity to \$912 billion. Reuters noted that the M&A climate was favorable over the past three years due to cheap debt financing and high CEO confidence.

Thursday, January 4, 2018

S&P Dow Jones Indices announced that total dividend distributions for U.S. common stocks increased by a net (increases less decreases) \$4.5 billion in Q4'17, down from the \$8.9 billion increase in Q4'16, according to its own release. In 2017, net dividend increases rose 56.9% to \$37.1 billion. There were 2,642 dividend increases in 2017, up slightly from the 2,634 dividend increases in 2016. The number of dividends cut or suspended in 2017 totaled 445, down from the 659 cut or suspended in 2016.

Friday, January 5, 2018

The S&P 500 Index closed at all-time high of 2,723.99 on 1/4/18. Data from Goldman Sachs indicates that the index has gone 382 days without a 5% pullback, putting it just over two weeks shy of the longest streak on record, dating back to 1929, according to Business Insider. At the core of the ongoing rally has been a "buy the dip" mentality. U.S. equities have also benefitted from six consecutive quarters of year-over-year earnings growth.

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