

Open-End Net Fund Flows (\$)	10/15	9/15	YTD (Oct)
Equity	-9.69B	-9.22B	-18.72B
Taxable Bond	1.99B	-19.52B	-0.01B
Municipal Bond	2.38B	-0.49B	6.54B
Hybrid	-2.39B	-5.03B	-4.17B
Taxable Money Market	42.41B	-2.18B	-2.55B

Key Interest Rates	11/30/15	12/31/14	11/28/14
Federal Funds Target Rate	0.25%	0.25%	0.25%
LIBOR (3-Month)	0.42%	0.26%	0.23%
2-Year T-Note	0.93%	0.67%	0.47%
10-Year T-Note	2.21%	2.17%	2.17%
Bond Buyer 40	4.28%	4.27%	4.39%

Commodities/U.S. Dollar	11/15	YTD	12 Mo.
U.S. Dollar Index (DXY)	3.32%	10.97%	13.37%
TR/CC CRB Commodity Index	-6.68%	-20.62%	-28.24%
Crude Oil (Barrel)	-10.60%	-21.81%	-37.04%
Natural Gas (per million BTUs)	-3.45%	-22.49%	-45.23%
Gold Bullion (Ounce)	-6.62%	-9.99%	-9.31%

## Total Return Performance

U.S. Stock Indices	11/15	YTD	12 Mo.
S&P 500	0.30%	3.01%	2.74%
DJIA	0.71%	1.76%	1.87%
NASDAQ 100	0.56%	11.40%	8.83%
S&P 400	1.35%	2.07%	2.91%
Russell 2000	3.25%	0.64%	3.51%
Russell 3000	0.55%	2.58%	2.58%

U.S. Styles/Market Caps	11/15	YTD	12 Mo.
S&P 500 Growth	0.12%	7.15%	6.12%
S&P 500 Value	0.51%	-1.48%	-0.95%
S&P MidCap 400 Growth	1.26%	5.56%	5.82%
S&P MidCap 400 Value	1.46%	-1.64%	-0.23%
Russell 2000 Growth	3.66%	3.56%	6.63%
Russell 2000 Value	2.84%	-2.32%	0.35%

Foreign Stock Indices (USD)	11/15	YTD	12 Mo.
MSCI World NET (Ex-U.S.)	-1.59%	-1.27%	-4.55%
MSCI Emerging Markets NET	-3.90%	-12.98%	-16.99%
MSCI Europe NET	-1.83%	-0.28%	-4.57%
MSCI BRIC NET	-3.27%	-11.84%	-16.51%
MSCI EM Latin America NET	-4.19%	-27.95%	-34.54%
Nikkei 225	1.42%	11.54%	10.94%

Barclays Bond Indices	11/15	YTD	12 Mo.
U.S. Treasury: Intermediate	-0.34%	1.37%	1.10%
GNMA 30 Year	-0.08%	1.33%	1.43%
Municipal Bond (22+)	0.88%	3.38%	4.44%
U.S. Aggregate	-0.26%	0.88%	0.97%
Intermediate Corporate	-0.10%	1.66%	1.28%
U.S. Corporate High Yield	-2.22%	-2.00%	-3.42%
Global Aggregate	-1.66%	-3.67%	-4.33%
EM Hard Currency Aggregate	-0.73%	0.93%	-1.85%

Sources: Bloomberg, Barclays, Investment Company Institute

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## Climate

The 211,000 increase in U.S. nonfarm payrolls in November “all but seals the deal” for a federal funds rate hike on December 16, 2015, according to Brian Wesbury, Chief Economist at First Trust Advisors L.P. We have noted of late that U.S. monetary policy, the state of China’s economy and the future direction of oil prices were the top three issues weighing on the markets, in our opinion. If the Federal Reserve does initiate a rate hike on the 16<sup>th</sup>, as well as provide a bit of guidance for 2016, it would go a long way in removing the uncertainty that was potentially inhibiting some investors from committing capital to the markets, in our opinion. China, which is the world’s second largest economy, reported a real GDP growth rate of 6.9% (year-over-year) in Q3’15, according to Bloomberg. The last time that GDP growth was below the 7.0% mark for a quarter was Q1’09. China’s economy was expanding at a pace in excess of 10% in 2010. China’s government is seeking to transition from a manufacturing-based to a services-based economy, according to *The Diplomat*. China’s slower growth climate, which was a stated goal back in 2012, has resulted in China purchasing fewer commodities than in past years. The price of crude oil closed at \$41.65 per barrel on 11/30/15, according to Bloomberg. OPEC (Organization of the Petroleum Exporting Countries) chose not to initiate production cuts at its meeting on 12/4/15, according to Reuters.

## Stock Market

The S&P 500 Index closed at 2080.41 on 11/30/15, just 2.37% below its all-time high (2130.82) set on 5/21/15, according to Bloomberg. The index has rebounded nicely from its 2015 closing low of 1867.61 on 8/25, which marked the bottom of the 12.35% correction that ran from 5/21-8/25. The top four performing sectors in November were Financials, Industrials, Information Technology and Materials, up 1.89%, 0.93%, 0.87% and 0.83%, respectively, on a total return basis, according to Bloomberg. Year-to-date through November, the top four performing sectors were Consumer Discretionary, Information Technology, Health Care and Consumer Staples, up 13.26%, 8.41%, 5.02% and 3.63%, respectively. In November, performance was slightly negative overall at the subsector level. Of the 130 subsectors that comprise the S&P 500 Index, 60 were positive, two unchanged, and 68 were down, according to S&P Dow Jones Indices. The major mid- and small-cap indices outperformed their large-cap counterparts (see charts). Many of the major global equity indices posted negative total returns in November (see chart). The U.S. Dollar Index (DXY) was up 0.22% in November.

## Bond Market

In November, the yield on the benchmark 10-Year Treasury Note rose 7 basis points to 2.21%, which was four basis points higher than its 2.17% yield on 11/28/14, according to Bloomberg. Bond category total returns were mixed in November, with high yield corporate bonds selling off the most (see chart). This category of debt is particularly vulnerable to issuers that operate in the energy and metals and mining sectors. Moody’s sees the potential for a sharp rise in downgrades and defaults in 2016 due to the plunge in commodity prices, according to *Barron’s*. In the first 11 months of 2015, data from Thomson Reuters indicates that new issuance in the high yield corporate bond market totaled \$255.9 billion, down 15% from the same period a year ago, according to SIFMA.org.

## Takeaway

Dealogic reported that, as of 12/2/15, the total value of mergers and acquisition (M&A) activity (announced) worldwide in 2015 stood at a record \$4.304 trillion, topping the previous all-time high of \$4.296 trillion set in 2007, according to MarketWatch. Announced U.S. deal volume hit a record high in September and currently stands above \$2 trillion for the first time ever. Data (preliminary) compiled by the Rockefeller Institute shows that total state tax collections grew by 6.8% year-over-year, in Q2’15, according to its own release. Tax collections were higher, on a year-over-year basis, in 21 of the past 22 quarters. There are lots of silver linings in the current climate if you look for them.

Index	10-Yr. High Value	Date	10-Yr. Low Value	Date	Month-End Value	% Off High Value	YTD Return (USD)	Month-End Yield
S&P 500	2130.82	5/21/2015	676.53	3/9/2009	2080.41	-2.37%	3.01%	2.10%
S&P 500 Growth	1199.09	11/3/2015	363.99	3/9/2009	1183.45	-1.30%	7.15%	1.65%
S&P 500 Value	944.41	5/21/2015	307.16	3/9/2009	892.93	-5.45%	-1.48%	2.64%
S&P MidCap 400	1549.44	6/23/2015	404.62	3/9/2009	1461.81	-5.66%	2.07%	1.66%
S&P MidCap 400 Growth	707.04	8/17/2015	174.44	11/20/2008	676.94	-4.26%	5.56%	1.33%
S&P MidCap 400 Value	533.88	6/23/2015	144.98	3/9/2009	494.67	-7.34%	-1.64%	2.04%
S&P 100	945.61	7/20/2015	322.13	3/9/2009	926.44	-2.03%	4.18%	2.23%
DJIA	18312.39	5/19/2015	6547.05	3/9/2009	17719.92	-3.24%	1.76%	2.46%
NASDAQ 100	4719.05	11/3/2015	1036.51	11/20/2008	4664.51	-1.16%	11.40%	1.16%
Russell 2000	1295.80	6/23/2015	343.26	3/9/2009	1198.11	-7.54%	0.64%	1.52%
Russell 2000 Growth	808.08	6/23/2015	190.73	3/9/2009	743.37	-8.01%	3.56%	0.82%
Russell 2000 Value	1572.13	6/23/2015	469.32	3/9/2009	1461.61	-7.03%	-2.32%	2.23%
Russell 3000	1273.39	6/23/2015	389.61	3/9/2009	1233.56	-3.13%	2.58%	1.99%
MSCI World Net (ex U.S.) (USD)	5496.51	7/3/2014	2131.84	3/9/2009	4871.47	-11.37%	-1.27%	3.18%
MSCI Emerging Markets Net (USD)	473.36	10/29/2007	164.51	10/27/2008	349.41	-26.18%	-12.98%	3.05%
Ibovespa/Brazil (USD)	44638.24	5/19/2008	10720.71	9/29/2015	11719.88	-73.74%	-37.76%	4.12%
RTS/Russia (USD)	2487.92	5/19/2008	498.20	1/23/2009	847.10	-65.95%	11.71%	4.77%
S&P BSE 500/India (USD)	226.04	1/7/2008	57.52	3/9/2009	158.94	-29.68%	-5.08%	1.31%
Shanghai Composite/China (USD)	832.07	6/12/2015	133.55	12/5/2005	538.56	-35.27%	4.98%	1.80%
KOSPI/South Korea (USD)	2.29	10/31/2007	0.63	11/20/2008	1.72	-24.82%	-1.53%	1.33%
Hang Seng (USD)	4082.25	10/30/2007	1420.72	10/27/2008	2837.22	-30.50%	-3.56%	3.86%
MSCI Euro (USD)	1985.51	10/31/2007	682.47	3/9/2009	1212.03	-38.96%	1.69%	3.16%
S&P 500 Consumer Discretionary	648.09	11/25/2015	125.72	3/9/2009	640.02	-1.25%	13.26%	1.50%
S&P 500 Consumer Staples	521.22	10/22/2015	199.80	3/9/2009	505.71	-2.97%	3.63%	2.75%
S&P 500 Energy	737.09	6/23/2014	304.81	3/5/2009	498.26	-32.40%	-12.48%	3.38%
S&P 500 Utilities	251.40	1/29/2015	113.81	3/9/2009	216.01	-14.08%	-6.86%	3.89%
S&P 500 Financials	509.55	2/20/2007	81.74	3/6/2009	329.48	-35.34%	0.61%	2.01%
S&P 500 Banks	414.38	2/20/2007	49.02	3/5/2009	239.85	-42.12%	3.15%	1.94%
FTSE NAREIT All Equity REITs	685.39	1/26/2015	163.57	3/6/2009	619.25	-9.65%	1.51%	4.01%
S&P 500 Health Care	892.26	7/20/2015	252.84	3/5/2009	820.04	-8.09%	5.02%	1.57%
S&P 500 Pharmaceuticals	639.79	7/20/2015	214.50	3/3/2009	598.19	-6.50%	4.89%	2.40%
NYSE Arca Biotechnology	4431.87	7/17/2015	541.77	3/9/2009	3790.69	-14.47%	10.66%	0.19%
S&P 500 Information Technology	747.73	11/6/2015	198.51	11/20/2008	738.69	-1.21%	8.41%	1.52%
Philadelphia Semiconductor	746.08	6/1/2015	171.32	11/20/2008	677.14	-9.24%	0.33%	1.93%
S&P 500 Telecom Services	181.06	5/31/2007	88.10	3/9/2009	147.38	-18.60%	1.62%	5.21%
S&P 500 Industrials	498.14	2/20/2015	132.83	3/9/2009	474.00	-4.85%	-0.54%	2.22%
S&P 500 Materials	326.60	2/24/2015	108.33	3/2/2009	286.31	-12.34%	-4.40%	2.26%
Philadelphia Gold & Silver	228.95	4/8/2011	43.63	11/17/2015	46.15	-79.84%	-32.20%	1.68%
TR/CC CRB Commodity	473.52	7/2/2008	182.54	11/30/2015	182.54	-61.45%	-20.62%	N/A
BofA ML Perpetual Preferred	224.21	11/27/2015	51.79	3/9/2009	223.92	-0.13%	6.95%	5.33%
BofA ML U.S. High Yield Constrained	360.88	5/31/2015	130.37	12/12/2008	339.50	-5.92%	-2.09%	8.31%

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