

U.S. Equities Have Boosted Their Global Standing In The Current Recovery

U.S. & World Equity Market Capitalization (Cap) Totals

Date	U.S. Equity Market Cap. (in Trillions)	World Equity Market Cap. (in Trillions)	U.S. Share
12/31/16	\$25.20	\$66.84	37.70%
12/31/15	\$23.54	\$64.56	36.46%
12/31/14	\$24.41	\$65.02	37.54%
12/31/13	\$22.28	\$62.05	35.91%
12/31/12	\$16.86	\$52.45	32.14%
12/31/11	\$15.01	\$45.91	32.69%
12/31/10	\$15.43	\$51.99	29.68%
12/31/09	\$13.74	\$45.44	30.24%
9/30/09	\$12.73	\$42.63	29.86%

Source: Bloomberg. Data starts at 9/30/09 because it captures totals as of the end of the first quarter of the current economic recovery.

View from the Observation Deck

1. The current U.S. economic recovery commenced in Q3'09, according to the National Bureau of Economic Research. The last U.S. recession ran from December 2007 through June 2009.
2. As indicated in the chart, the total market cap of U.S. exchange traded equities rose from \$12.73 trillion on 9/30/09 to \$25.20 trillion on 12/31/16, or an increase of 97.96%.
3. The total market cap of exchange traded equities worldwide rose from \$42.63 trillion on 9/30/09 to \$66.84 trillion on 12/31/16, or an increase of 56.80%.
4. Over this period, the U.S.'s share of total equity market cap worldwide increased from 29.86% to 37.70% (see chart).
5. Despite this impressive share grab stemming from strong U.S. equity returns relative to world equity returns, since the end of 2009, retail investors in the U.S. have funneled hundreds of billions of dollars into World Equity mutual funds, while liquidating hundreds of billions of dollars from Domestic Equity funds, according to the Investment Company Institute (ICI). We exclude exchange-traded funds (ETFs) because institutions also invest in ETFs. As of end of 2015, institutions represented approximately 36% of all U.S. ETF assets, according to Greenwich Associates.
6. From 2010 through 2016, Domestic Equity funds reported net cash outflows totaling \$820.83 billion, compared to net cash inflows totaling \$363.20 billion for World Equity funds, according to the ICI.

This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions and other expenses incurred when investing. Investors cannot invest directly in an index.