

The Bull Market & Trump Rally

S&P 500 & Sector Index Cumulative Total Returns

Index	3/9/09-1/17/18 <i>Bull Market</i>	11/8/16-1/17/18 <i>Trump Rally</i>	12/29/17-1/17/18 <i>Year-to-Date</i>
S&P 500	398.94%	34.14%	4.89%
Consumer Disc.	661.85%	35.68%	6.24%
Consumer Staples	283.80%	13.43%	1.13%
Energy	127.16%	15.25%	6.83%
Financials	580.36%	50.09%	5.25%
Health Care	377.41%	31.78%	6.63%
Industrials	519.68%	37.38%	5.64%
Info. Tech.	566.41%	49.52%	6.40%
Materials	338.36%	36.54%	4.15%
Real Estate	359.94%	8.35%	-4.18%
Telecom. Services	187.94%	8.83%	-2.39%
Utilities	220.22%	7.20%	-4.17%

Source: Bloomberg. Past performance is no guarantee of future results.

View from the Observation Deck

1. On 1/17/18, the S&P 500 Index closed the trading session at an all-time high of 2,802.56, according to Bloomberg.
2. Brian Wesbury, Chief Economist at First Trust Advisors L.P., sees the S&P 500 Index reaching 3,100 by the end of 2018.
3. The top-performing S&P 500 Index sector in the current bull market is Consumer Discretionary, up 661.85%. There isn't really a close second.
4. The top-performer in the current Trump Rally is Financials, up 50.09%. Information Technology is a close second, up 49.52%.
5. Year-to-date, the leader of the pack is Energy, up 6.83%, with Health Care, Information Technology and Consumer Discretionary not far behind.
6. The key takeaway from the above table is that those sectors that are more cyclical in nature are outperforming those that are non-cyclical (defensive), such as Telecommunication Services, Utilities and Consumer Staples.
7. President Trump's campaign promise to be pro-business and pro-U.S. was essentially kept by enacting the Tax Cuts & Jobs Act.
8. On 12/20/17, Congress passed the Tax Cuts and Jobs Act, which was signed into law by President Trump on 12/22/17. Since it passed on 12/20/17, analysts have been increasing their 2018 bottom-up earnings estimate for the S&P 500 Index. From 12/20/17 through 1/11/18, the 2018 earnings per share (EPS) estimate for the index rose from \$146.83 to \$150.12, or an increase of 2.2%, according to FactSet. It represents the largest increase in the annual EPS estimate for the index over this time frame (12/20/17-1/11/18) since FactSet began tracking this data in 1996. The three sectors that posted the biggest increases in their EPS estimate were Financials (+8.3%), Energy (+4.2%) and Industrials (+3.2%).

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. The S&P 500 Index is a capitalization-weighted index comprised of 500 stocks used to measure large-cap U.S. stock market performance, while the 11 major S&P 500 Sector Indices are capitalization-weighted and comprised of S&P 500 constituents representing a specific sector.

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