

The Economy

Nonfarm payrolls grew for the 50th consecutive month in November (+321,000), according to data from the Bureau of Labor Statistics. It was the 10th consecutive month where the number of new jobs created exceeded 200,000. The labor market has improved to such an extent that workers are feeling comfortable enough to quit their jobs. Americans quit their jobs in September at the fastest pace in over six years, according to Reuters. The Labor Department reported that 2% of U.S. workers, or about 2.8 million people, left their positions under their own volition. Another sign of a strengthening economy is rising auto sales. U.S. auto sales reached 17.1 million (annualized) in November, according to Reuters. Sales are back to pre-financial crisis levels.

Consumer Confidence 88.7 (Nov) 94.5 (Oct)	Crude Oil (Mo.-End) \$66.15 (Nov) \$80.54 (Oct)	Personal Spending +0.2% (Oct) Sep was -0.2%	ISM Manufacturing 58.7 (Nov) 59.0 (Oct)	ISM Non-Manufacturing 59.3 (Nov) 57.1 (Oct)
Gold (Mo.-End) \$1,175.20 (Nov) \$1,171.60 (Oct)	Natural Gas (Mo.-End) \$4.09 (Nov) \$3.87 (Oct)	Factory Orders -0.7% (Oct) Sep was -0.6%	New Home Sales 458,000 (Oct) 467,000 (Sep)	Existing Home Sales 5.26M (Oct) 5.17M (Sep)

The Stock Market

Indices (Source: Bloomberg)

	Nov	12-mo.
S&P 500	2.7%	16.9%
DJIA	2.9%	13.4%
NASDAQ 100	4.5%	25.9%
S&P 400	1.8%	12.2%
Russell 2000	0.1%	4.0%
Russell 3000	2.4%	15.5%
MSCI World (ex U.S.) (USD)	1.2%	0.5%
MSCI Emerging Markets (USD)	-1.1%	1.1%

Growth/Value (Source: Bloomberg)

	Nov	12-mo.
S&P 500 Growth	3.0%	19.1%
S&P 500 Value	2.3%	14.4%
S&P 400 Growth	2.4%	10.8%
S&P 400 Value	1.3%	13.7%
Russell 2000 Growth	0.6%	4.7%
Russell 2000 Value	-0.5%	3.4%

One hundred and seven out of the 131 subsectors (82%) that comprise the S&P 500 posted a gain in November, up from 96 (73%) last month, according to S&P Dow Jones Indices. Consumer Staples and Consumer Discretionary were the best performing sectors, up 5.48% and 5.43%, respectively. In November, the dividend-payers (423) in the S&P 500 (equal weight) posted a total return of 2.43%, vs. 1.43% for the non-payers (79), according to S&P Dow Jones Indices. There are currently 502 stocks in the index. Y-T-D, the payers were up 14.57%, vs. a gain of 15.58% for the non-payers. For the 12-mo. period ended Nov., payers were up 17.78%, vs. a gain of 19.46% for the non-payers. Y-T-D, the number of dividend increases totaled 346 increases, up from 340 a year ago. Y-T-D, there were eight decreases, down from 12 a year ago. When it comes to investing in U.S. equities, passive mutual funds and ETFs are more popular with investors than actively managed mutual funds and ETFs, according to data from Morningstar. Active U.S. equity funds/ETFs experienced net outflows for the 8th consecutive month in Oct., while passive U.S. equity funds/ETFs experienced net inflows for the 9th consecutive month. For the one-year period ended October 2014, active U.S. equity funds/ETFs reported net outflows totaling \$79.3 billion, compared to net inflows totaling \$139.5 billion for passive U.S. equity funds/ETFs.

U.S. Dollar Index (DXY) +1.7% (Nov) +10.4% (YTD) \$ was up 0.3% in '13	CBOE Total Equity Options (# of contracts in millions) Nov: 34.3 (-28.8%) Oct: 48.6 (+20.6%) Record 7/08: 67.2 million	Short Interest (NYSE) Mid-Nov: 15.3B (-3.2%) Mid-Oct: 15.8B (+5.3%) Record 7/08: 18.61 billion shares	VIX Volatility Index (S&P 500) 13.33 (11/30) 14.03 (10/31) Record 11/20/08: 80.86
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The Bond Market

Index (Source: Barclays)

	Nov	12-mo.	Yield
U.S. Treasury: Intermediate	0.52%	1.13%	1.09%
GNMA 30 Year	0.53%	2.01%	2.75%
Municipal Bond (22+)	0.34%	3.94%	3.11%
U.S. Aggregate	0.70%	1.91%	2.17%
Intermediate Corporate	0.52%	1.09%	2.36%
U.S. Corporate High Yield	-0.73%	-0.60%	6.12%
Global Aggregate	-0.37%	-2.78%	1.62%
EM Hard Currency Agg.	-0.35%	-0.18%	4.64%

The yield on the benchmark 10-Year T-Note fell 17 basis points to 2.17% in November. It was down 58 basis points from 2.75% on 11/30/13. Year-to-date through 11/30, investment grade corporate bond sales reached a single-year record of \$1.17 trillion, topping the previous record of \$1.13 trillion set last year, according to Bloomberg. Total corporate bond sales, including high yield corporates, reached a record \$1.5 trillion. Moody's expects sovereign credit ratings to stabilize in 2015 as global growth edges higher, according to Fox Business. Nearly 80% of Moody's sovereign ratings currently carry stable outlooks, up from 70% at the start of 2014. Thirteen percent have negative outlooks, down from 22% at the start of the year, and roughly 7% carry a positive outlook.

Key Rates as of November 30		Key Yield Spread		2014 Debt Issuance Through October		
		The spread between the Merrill Lynch U.S. High Yield Constrained Index and the 10-Yr. T-Note was 438 basis points on 11/28/14, up from 397 on 10/31/14. It was 363 on 11/29/13.		(Source: Thomson Reuters)		
				Debt Category	\$ Amount	% change over '13
Fed Funds	0-0.25%			Treasury	\$1.85 Trillion	+3.8%
2-Yr. T-Note	0.47%			Corporate	\$1.24 Trillion	+1.8%
10-Yr. T-Note	2.17%			Convertible	\$34.1 Billion	+34.8%
30-Yr. Mortgage	3.92%			Asset-Backed	\$197.8 Billion	+22.4%
Bond Buyer 40	4.39%			Municipal	\$265.6 Billion	-6.3%
(Source: Bloomberg)		(Source: Bloomberg)				

Equity funds reported net inflows totaling \$5.2 billion in 10/14, vs. \$5.2 billion of net outflows (revised down) in 9/14, according to the Investment Company Institute. Bond funds reported net outflows totaling \$6.2 billion, vs. \$19.4 billion of net outflows (revised down) in 9/14. Money Market fund net inflows totaled \$19.1 billion, vs. \$22.4 billion of net inflows in 9/14. Y-T-D through October, equity funds reported net inflows totaling \$51.2 billion, vs. \$40.6 billion of net inflows for bond funds (municipals had net inflows totaling \$20.6B) and \$95.8 billion of net outflows for MMFs.

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	2072.83	11/26/14	676.53	03/09/09	2067.56	-0.25%	13.97%	1.92%
S&P 500 Growth	1134.55	11/26/14	363.99	03/09/09	1134.04	-0.04%	16.00%	1.55%
S&P 500 Value	929.37	11/26/14	307.16	03/09/09	924.77	-0.49%	11.75%	2.35%
S&P 400	1454.22	11/26/14	404.62	03/09/09	1442.63	-0.80%	8.84%	1.49%
S&P 400 Growth	652.69	11/24/14	174.44	11/20/08	647.64	-0.77%	7.31%	1.10%
S&P 400 Value	510.63	07/01/14	144.98	03/09/09	505.33	-1.04%	10.45%	1.88%
S&P 100	918.38	11/26/14	322.13	03/09/09	916.24	-0.23%	13.55%	2.05%
DJIA	17828.24	11/28/14	6547.05	03/09/09	17828.24	0.00%	9.92%	2.16%
NASDAQ 100	4337.78	11/28/14	1036.51	11/20/08	4337.79	0.00%	22.31%	1.27%
Russell 2000	1208.65	03/04/14	343.26	03/09/09	1173.23	-2.93%	1.99%	1.35%
Russell 2000 Growth	725.38	03/04/14	190.73	03/09/09	701.83	-3.25%	2.56%	0.69%
Russell 2000 Value	1554.11	07/03/14	469.32	3/9/2009	1486.74	-4.34%	1.44%	2.02%
Russell 3000	1230.73	11/26/14	389.61	3/9/2009	1226.12	-0.37%	12.56%	1.80%
MSCI World x U.S. (USD)	5496.51	07/03/14	2131.84	3/9/2009	5103.69	-7.15%	-1.03%	3.24%
MSCI Emerging Markets (USD)	473.36	10/29/07	164.51	10/27/08	420.92	-11.08%	2.54%	2.64%
Ibovespa/Brazil (USD)	44638.24	05/19/08	8674.40	01/20/05	21357.44	-52.15%	-2.89%	4.30%
RTS/Russia (USD)	2487.92	05/19/08	498.20	01/23/09	974.27	-60.84%	-29.77%	4.16%
S&P BSE 500/India (USD)	226.04	01/07/08	56.65	11/29/04	175.95	-22.16%	41.16%	1.38%
Shanghai Composite/China (USD)	810.67	10/16/07	122.21	07/11/05	436.77	-46.12%	29.08%	2.48%
KOSPI/South Korea (USD)	2.29	10/31/07	0.63	11/20/08	1.78	-22.17%	-6.62%	1.08%
Hang Seng (USD)	4082.25	10/30/07	1420.72	10/27/08	3093.04	-24.23%	6.98%	3.77%
MSCI Euro (USD)	1985.51	10/31/07	682.47	03/09/09	1297.26	-34.66%	-2.08%	3.34%
S&P Consumer Discretionary	568.46	11/28/14	125.72	03/09/09	568.46	0.00%	8.62%	1.40%
S&P Consumer Staples	506.50	11/28/14	199.80	03/09/09	506.50	0.00%	17.20%	2.46%
S&P Energy	737.09	06/23/14	276.71	01/05/05	584.58	-20.69%	-8.25%	2.73%
S&P Utilities	236.50	11/05/14	113.81	03/09/09	232.61	-1.64%	24.60%	3.42%
S&P Financials	509.55	02/20/07	81.74	03/06/09	328.00	-35.63%	13.15%	1.71%
S&P Banks	414.38	02/20/07	49.02	03/05/09	231.09	-44.23%	12.53%	1.73%
FTSE NAREIT Equity REITs	676.54	02/07/07	163.57	03/06/09	625.25	-7.58%	26.44%	3.43%
S&P Health Care	803.65	11/28/14	252.84	03/05/09	803.65	0.00%	27.01%	1.43%
S&P Pharmaceuticals	598.20	11/28/14	214.50	03/03/09	598.20	0.00%	25.18%	2.27%
NYSE Arca Biotechnology	3437.72	11/28/14	484.48	04/04/05	3437.72	0.00%	47.73%	0.33%
S&P Information Technology	704.20	11/28/14	198.51	11/20/08	704.20	0.00%	22.19%	1.50%
Philadelphia Semiconductor	685.74	11/28/14	171.32	11/20/08	685.74	0.00%	31.16%	2.16%
S&P Telecom Services	181.06	05/31/07	88.10	03/09/09	162.61	-10.19%	9.72%	4.66%
S&P Industrials	493.04	11/25/14	132.83	03/09/09	488.10	-1.00%	9.98%	2.00%
S&P Materials	319.68	09/24/14	108.33	03/02/09	308.03	-3.64%	7.63%	2.09%
Philadelphia Gold & Silver	228.95	04/08/11	61.63	11/05/14	68.40	-70.12%	-17.80%	1.65%
Reuters/Jefferies CRB	473.52	07/02/08	200.34	03/02/09	254.37	-46.28%	-9.21%	N/A
Merrill Lynch Perpetual Preferred	209.68	11/27/14	51.79	03/09/09	209.66	-0.01%	14.34%	5.38%
Merrill Lynch High Yield Constrained	358.03	09/01/14	130.37	12/12/08	351.78	-1.75%	4.00%	6.55%