

Stock Index Performance

Index	Week	YTD	12-mo.	2015	5-yr.
Dow Jones Industrial Avg. (19,843)	0.45%	16.96%	14.84%	0.21%	13.67%
S&P 500 (2,258)	-0.03%	12.84%	11.33%	1.37%	15.54%
NASDAQ 100 (4,915)	0.41%	8.38%	6.74%	9.75%	18.59%
S&P 500 Growth	0.17%	7.86%	6.16%	5.51%	15.39%
S&P 500 Value	-0.22%	18.17%	16.89%	-3.14%	15.61%
S&P MidCap 400 Growth	-0.90%	15.00%	13.99%	2.01%	14.93%
S&P MidCap 400 Value	-1.88%	27.22%	26.24%	-6.66%	16.93%
S&P SmallCap 600 Growth	-1.45%	22.19%	20.09%	2.74%	16.78%
S&P SmallCap 600 Value	-2.09%	32.26%	31.16%	-6.70%	17.88%
MSCI EAFE	-0.55%	0.01%	1.41%	-0.81%	6.97%
MSCI World (ex US)	-1.06%	3.58%	4.69%	-5.66%	5.40%
MSCI World	-0.29%	7.66%	7.34%	-0.87%	11.13%
MSCI Emerging Markets	-2.43%	10.15%	10.91%	-14.92%	1.36%
S&P GSCI	0.36%	10.02%	11.43%	-32.86%	-12.58%

Source: Bloomberg. Returns are total returns. The 5-yr. return is an average annual. One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 12/16/16. 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.	2015	5-yr.
Consumer Discretionary	-1.31%	7.79%	5.53%	10.11%	18.86%
Consumer Staples	0.87%	6.04%	5.21%	6.60%	13.53%
Energy	0.81%	29.35%	26.91%	-21.12%	5.19%
Financials	-1.13%	23.40%	21.03%	-1.56%	20.37%
Health Care	1.57%	-1.68%	-2.01%	6.89%	17.84%
Industrials	-1.59%	19.44%	18.73%	-2.56%	16.47%
Information Technology	0.21%	14.92%	12.54%	5.92%	16.95%
Materials	-1.49%	18.36%	17.66%	-8.38%	11.52%
Telecom Services	2.29%	21.25%	20.90%	3.40%	12.13%
Utilities	1.90%	15.85%	16.73%	-4.84%	11.14%

Source: Bloomberg. Returns are total returns. The 5-yr. return is an average annual. One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 12/16/16. An index cannot be purchased directly by investors. Past performance is no guarantee of future results.

Bond Index Performance

Index	Week	YTD	12-mo.	2015	5-yr.
U.S. Treasury: Intermediate	-0.56%	0.37%	0.46%	1.18%	0.88%
GNMA 30 Year	-1.04%	0.39%	0.62%	1.41%	1.61%
U.S. Aggregate	-0.61%	1.52%	1.65%	0.55%	2.03%
U.S. Corporate High Yield	-0.06%	16.44%	16.78%	-4.47%	7.47%
U.S. Corporate Investment Grade	-0.34%	4.67%	4.86%	-0.68%	3.91%
Municipal Bond: Long Bond (22+)	-0.72%	-0.38%	0.15%	4.52%	4.82%
Global Aggregate	-1.19%	0.70%	0.80%	-3.15%	0.01%

Source: Barclays Capital. Returns are total returns. The 5-yr. return is an average annual. One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 12/16/16. An index cannot be purchased directly by investors. Past performance is no guarantee of future results.

Key Rates

As of 12/16/16

Fed Funds	0.50-0.75%	5-yr CD	1.70%
LIBOR (1-month)	0.70%	2-yr T-Note	1.25%
CPI - Headline	1.70%	5-yr T-Note	2.07%
CPI - Core	2.10%	10-yr T-Note	2.59%
Money Market Accts.	0.51%	30-yr T-Bond	3.17%
Money Market Funds	0.17%	30-yr Mortgage Refinance	4.20%
6-mo CD	0.69%	Prime Rate	3.50%
1-yr CD	1.16%	Bond Buyer 40	4.38%

Sources: Bankrate.com, iMoneyNet.com and Bloomberg.

Market Indicators

As of 12/16/16

TED Spread	50 bps
Investment Grade Spread (A2)	138 bps
ML High Yield Master II Index Spread	421 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 12/7/16

	Current Week	Previous
Domestic Equity	-\$8.761 Billion	\$1.207 Billion
Foreign Equity	\$1.405 Billion	-\$1.175 Billion
Taxable Bond	\$3.050 Billion	-\$2.603 Billion
Municipal Bond	-\$4.289 Billion	-\$3.511 Billion

Change in Money Market Fund Assets for the Week Ended 12/14/16

	Current Week	Previous
Retail	\$3.08 Billion	\$1.207 Billion
Institutional	-\$6.96 Billion	-\$1.175 Billion

Source: Investment Company Institute.

Factoids for the week of December 12, 2016

Monday, December 12, 2016

LIMRA Secure Retirement Institute estimates that U.S. annuity sales declined 11.0% (y-o-y) to \$53.6 billion in Q3'16, according to its own data release. Variable annuity (VA) sales totaled \$25.9 billion in Q3'16, down 21% (y-o-y). It was the lowest quarterly sales volume since 1998 and the first time that VA sales have been below \$30.0 billion for three consecutive quarters since 2002. In the first nine months of 2016, VA sales totaled \$79.4 billion, down nearly \$22.0 billion from the same period in 2015. Fixed annuity (FA) sales totaled \$27.7 billion in Q3'16, up 1% (y-o-y). Year-to-date, FA sales totaled \$91.5 billion, up 25% compared to the same period in 2015.

Tuesday, December 13, 2016

Data compiled by the Rockefeller Institute shows that total state tax collections declined by 2.1% (y-o-y) in Q2'16, according to its own release. Tax collections were higher in 24 of the past 26 quarters. The last time tax collections dropped was in Q2'14 (-0.9%). Over the past 26 quarters, the average quarterly gain in total tax collections was 4.7%. In Q2'16, the only region that grew its tax collections was the Southeast (+1.6%). The Southwest and Plains regions were hit the hardest, declining by 6.0% and 5.9%, respectively. Preliminary figures for Q3'16 indicate that total tax collections are expected to rise by 1.2%.

Wednesday, December 14, 2016

CoreLogic reported that 30,000 U.S. home foreclosures were completed in October, down 25% from the 40,000 completed in October 2015, according to 24/7 Wall St. The foreclosure inventory has declined every month for the past 60 months. In October, the foreclosure inventory totaled 0.8% of all U.S. homes with a mortgage – same rate as in June 2007. The number of homes currently in some stage of the foreclosure process is approximately 328,000, down about 31.5% from 479,000 in October 2015.

Thursday, December 15, 2016

The National Association of Home Builders (NAHB) reported that its sentiment index surged from a reading of 63 in November to 70 in December, according to MarketWatch. Economists had forecast an unchanged reading at 63. The last time it was as high as 70 was in July 2005. The NAHB noted that builders are hopeful that Donald Trump will follow through on his pledge to cut burdensome regulations that are harming businesses and housing affordability. While the broader stock market has been setting new highs, as of 12/14/16, the S&P Homebuilding Select Industry Index stood 36.6% below its all-time high, which was set on 7/20/05, according to Bloomberg.

Friday, December 16, 2016

On 12/13/16, President Obama signed into law sweeping bipartisan health care legislation seeking to expand research and speed up the approval process for new drugs and medical devices, according to United Press International (UPI). The \$6.3 billion bill, called the 21st Century Cures Act, will mostly fund research. UPI notes that the new law calls for \$4.8 billion in spending over 10 years for new research at the National Institutes of Health. Some of the research funding will target cancer, creating new technologies that will allow for comprehensive mapping of the human brain and a program to collect genetic data from one million American volunteers to help develop new treatments.