

Stock Index Performance

Index	Week	YTD	12-mo.	2016	5-yr.
Dow Jones Industrial Avg. (19,886)	-0.39%	0.68%	24.70%	16.50%	12.67%
S&P 500 (2,275)	-0.09%	1.67%	20.96%	11.95%	14.43%
NASDAQ 100 (5,060)	1.05%	4.05%	19.94%	7.27%	17.90%
S&P 500 Growth	0.17%	2.37%	16.35%	6.89%	14.68%
S&P 500 Value	-0.38%	0.88%	25.78%	17.39%	14.04%
S&P MidCap 400 Growth	0.72%	1.88%	26.45%	14.76%	14.10%
S&P MidCap 400 Value	-0.08%	1.40%	39.54%	26.52%	15.61%
S&P SmallCap 600 Growth	0.21%	0.41%	33.18%	22.07%	15.93%
S&P SmallCap 600 Value	-0.29%	0.09%	43.52%	31.21%	15.93%
MSCI EAFE	0.82%	2.61%	12.30%	1.00%	7.04%
MSCI World (ex US)	1.02%	2.99%	16.96%	4.50%	5.36%
MSCI World	0.29%	2.15%	17.84%	7.51%	10.53%
MSCI Emerging Markets	1.69%	3.92%	26.87%	11.19%	1.26%
S&P GSCI	-0.44%	-0.44%	22.50%	11.37%	-13.34%

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 1/13/17. 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.	2016	5-yr.
Consumer Discretionary	0.84%	3.19%	17.18%	6.03%	17.76%
Consumer Staples	-1.13%	-0.46%	7.92%	5.38%	12.89%
Energy	-1.90%	-1.35%	33.72%	27.36%	3.56%
Financials	-0.12%	1.14%	35.01%	22.75%	18.21%
Health Care	-0.03%	2.92%	6.37%	-2.69%	16.96%
Industrials	0.15%	1.53%	29.13%	18.85%	14.77%
Information Technology	0.77%	3.28%	25.09%	13.85%	16.50%
Materials	0.49%	2.37%	32.70%	16.69%	9.35%
Telecom Services	-1.09%	-1.20%	23.07%	23.49%	11.41%
Utilities	-0.66%	-0.21%	14.67%	16.29%	10.99%

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 1/13/17. An index cannot be purchased directly by investors. Past performance is no guarantee of future results.

Bond Index Performance

Index	Week	YTD	12-mo.	2016	5-yr.
U.S. Treasury: Intermediate	0.18%	0.20%	0.35%	1.06%	1.03%
GNMA 30 Year	-0.03%	-0.13%	0.86%	1.57%	1.70%
U.S. Aggregate	0.20%	0.37%	2.08%	2.65%	2.22%
U.S. Corporate High Yield	0.20%	1.17%	19.90%	17.13%	7.37%
U.S. Corporate Investment Grade	0.25%	0.57%	5.84%	6.11%	4.08%
Municipal Bond: Long Bond (22+)	0.82%	1.38%	1.35%	0.88%	4.64%
Global Aggregate	0.48%	0.46%	1.90%	2.09%	0.37%

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 1/13/17. An index cannot be purchased directly by investors. Past performance is no guarantee of future results.

Key Rates

As of 1/13/17

Fed Funds	0.50-0.75%	5-yr CD	1.75%
LIBOR (1-month)	0.77%	2-yr T-Note	1.19%
CPI - Headline	1.70%	5-yr T-Note	1.89%
CPI - Core	2.10%	10-yr T-Note	2.39%
Money Market Accts.	0.58%	30-yr T-Bond	2.99%
Money Market Funds	0.25%	30-yr Mortgage Refinance	4.08%
6-mo CD	0.68%	Prime Rate	3.75%
1-yr CD	1.18%	Bond Buyer 40	4.17%

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

Market Indicators

As of 1/13/17

TED Spread	50 bps
Investment Grade Spread (A2)	139 bps
ML High Yield Master II Index Spread	400 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 1/4/17

	Current Week	Previous
Domestic Equity	-\$10.919 Billion	-\$3.803 Billion
Foreign Equity	-\$1.709 Billion	-\$1.632 Billion
Taxable Bond	\$3.032 Billion	\$2.566 Billion
Municipal Bond	-\$2.213 Billion	-\$2.961 Billion

Change in Money Market Fund Assets for the Week Ended 1/11/17

	Current Week	Previous
Retail	-\$3.48 Billion	\$4.47 Billion
Institutional	-\$19.00 Billion	-\$15.72 Billion

Source: Investment Company Institute.

Factoids for the week of January 9, 2017

Monday, January 9, 2017

The Thomson Reuters/PayNet Small Business Lending Index rose from a downwardly revised 119.8 in October 2016 to 129.9 in November 2016, according to Reuters. It also marked the first year-over-year increase in six months. Small business borrowing is a key barometer of growth because small companies tend to do much of the hiring that drives economic gains. Small companies are showing some improvement in paying back existing debts. The share of loans more than 30 days past due slipped in November to 1.67%, the first decline in nearly a year, according to PayNet.

Tuesday, January 10, 2017

S&P Dow Jones Indices announced that total dividend distributions for U.S. common stocks increased by a net (increases less decreases) \$8.9 billion in Q4'16, up 48.3% from the \$6.0 billion increase in Q3'16 and up 147.2% from the \$3.6 billion increase registered in Q4'15, according to its own release. In 2016, net dividend increases totaled \$23.6 billion, down 39.0% from \$38.7 billion in 2015. Significant dividend cuts in Energy, and some Materials issues, caused the drop, according to Howard Silverblatt, senior index analyst at S&P Dow Jones Indices. In 2016, there were 2,634 dividend increases, down 6.3% from the 2,810 dividend increases in 2015. The number of dividends cut or suspended in 2016 totaled 659, up 30.8% from the 504 cut or suspended in 2015.

Wednesday, January 11, 2017

Moody's reported that its global speculative-grade default rate stood at 4.4% at the end of Q4'16, according to its own release. It sees the rate falling to 3.0% by December 2017. Moody's puts the historical average default rate at 4.2% since 1983. In 2016, the number of defaults totaled 142, the highest amount since 2009. The U.S. speculative-grade default rate stood at 5.6% at the end of Q4'16. It sees the U.S. rate falling to 3.8% by December 2017. The default rate on senior loans stood at 2.06% in December, according to S&P Global Market Intelligence.

Thursday, January 12, 2017

Credit Suisse Group AG reported that equity long-short fund managers, the biggest category in hedge funds, currently hold the fewest bearish stock bets on record, according to Bloomberg. As a group, these managers significantly underperformed the broader market last year. In 2016, the S&P 500 Index posted a price-only (does not include dividends) return of 9.5%, while the long-short managers tracked by Credit Suisse were down 4.3%, their worst showing since 2011. Equity long-short hedge funds had \$686.7 billion in assets under management as of November 2016, according to eVestment.

Friday, January 13, 2017

International Data Corporation's (IDC) Worldwide Quarterly Cloud IT Infrastructure Tracker reported that vendor revenue from sales of infrastructure products (server, storage and Ethernet switch) for cloud IT grew by 8.1% year-over-year to \$8.4 billion in Q3'16, according to its own release. Revenue from infrastructure sales to private cloud grew by 8.2% to \$3.3 billion, while sales to public cloud grew by 8.0% to \$5.1 billion. IDC noted that it is seeing strength in emerging markets and small cloud service providers.