

Stock Index Performance

Index	Week	YTD	12-mo.	2016	5-yr.
Dow Jones Industrial Avg. (20,269)	1.13%	2.84%	30.69%	16.50%	12.43%
S&P 500 (2,316)	0.87%	3.66%	27.78%	11.95%	13.91%
NASDAQ 100 (5,227)	1.33%	7.60%	33.46%	7.27%	16.95%
S&P 500 Growth	1.07%	4.99%	24.87%	6.89%	14.21%
S&P 500 Value	0.65%	2.18%	30.62%	17.39%	13.48%
S&P MidCap 400 Growth	1.10%	4.23%	34.34%	14.76%	13.11%
S&P MidCap 400 Value	0.57%	3.20%	43.62%	26.52%	14.67%
S&P SmallCap 600 Growth	1.06%	2.10%	42.16%	22.07%	15.05%
S&P SmallCap 600 Value	0.94%	0.80%	47.18%	31.21%	14.64%
MSCI EAFE	-0.02%	3.46%	18.50%	1.00%	5.61%
MSCI World (ex US)	0.34%	4.62%	22.45%	4.50%	4.10%
MSCI World	0.54%	3.74%	24.57%	7.51%	9.62%
MSCI Emerging Markets	1.24%	7.92%	30.35%	11.19%	0.20%
S&P GSCI	0.74%	0.46%	28.64%	11.37%	-13.69%

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 2/10/17. 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	1.44%	5.36%	27.39%	6.03%	17.11%
Consumer Staples	1.14%	3.58%	10.69%	5.38%	13.47%
Energy	-0.42%	-3.33%	34.79%	27.36%	2.31%
Financials	0.28%	2.22%	47.47%	22.75%	17.22%
Health Care	0.46%	4.26%	13.19%	-2.69%	16.99%
Industrials	1.65%	3.48%	31.58%	18.85%	14.35%
Information Technology	1.33%	7.38%	37.83%	13.85%	15.41%
Materials	0.07%	4.93%	33.94%	16.69%	9.31%
Telecom Services	0.29%	-3.73%	11.22%	23.49%	11.13%
Utilities	0.83%	1.46%	9.70%	16.29%	11.37%

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 2/10/17. 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	0.21%	0.33%	-0.93%	1.06%	1.07%
GNMA 30 Year	0.39%	0.09%	0.34%	1.57%	1.76%
U.S. Aggregate	0.44%	0.46%	0.98%	2.65%	2.20%
U.S. Corporate High Yield	0.13%	2.00%	24.54%	17.13%	6.97%
U.S. Corporate Investment Grade	0.54%	0.63%	5.89%	6.11%	3.79%
Municipal Bond: Long Bond (22+)	0.27%	0.82%	-0.01%	0.88%	4.39%
Global Aggregate	-0.29%	0.75%	-0.48%	2.09%	0.08%

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 2/10/17. An index cannot be purchased directly by investors. Past performance is no guarantee of future results.

Key Rates

As of 2/10/17

Fed Funds	0.50-0.75%	5-yr CD	1.76%
LIBOR (1-month)	0.77%	2-yr T-Note	1.19%
CPI - Headline	2.10%	5-yr T-Note	1.89%
CPI - Core	2.20%	10-yr T-Note	2.41%
Money Market Accts.	0.56%	30-yr T-Bond	3.01%
Money Market Funds	0.26%	30-yr Mortgage Refinance	3.97%
6-mo CD	0.71%	Prime Rate	3.75%
1-yr CD	1.21%	Bond Buyer 40	4.25%

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

Market Indicators

As of 2/10/17

TED Spread	51 bps
Investment Grade Spread (A2)	138 bps
ML High Yield Master II Index Spread	390 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 2/1/17

	Current Week		Previous	
Domestic Equity	-\$906	Million	-\$3.987	Billion
Foreign Equity	\$766	Million	\$1.212	Billion
Taxable Bond	\$4.023	Billion	\$1.496	Billion
Municipal Bond	\$918	Million	\$628	Million

Change in Money Market Fund Assets for the Week Ended 2/8/17

	Current Week		Previous	
Retail	\$2.59	Billion	-\$1.41	Billion
Institutional	-\$5.82	Billion	-\$4.24	Billion

Source: Investment Company Institute.

Factoids for the week of February 6, 2017

Monday, February 6, 2017

Worldwide sales of semiconductors totaled \$31.0 billion in December, up 12.3% from the amount sold in December 2015, according to the Semiconductor Industry Association (SIA). Global sales in Q4'16 totaled \$93.0 billion, also up 12.3% from the same period a year ago. In 2016, global sales totaled an all-time high of \$338.9 billion. On an annual basis, the percent change in region/country semiconductor sales were as follows: China (+9.2%); Japan (+3.8%); Asia Pacific/All Other (-1.7%); Europe (-4.5%); and the Americas (-4.7%). For the 12-month period ended 1/31/17, the Philadelphia Semiconductor Index posted a total return of 56.82%, compared to 24.91% for the S&P 500 Information Technology Index and 20.04% for the S&P 500 Index.

Tuesday, February 7, 2017

The price of crude oil closed yesterday's trading session at \$53.01 per barrel, up 71.6% from \$30.89 per barrel a year ago, according to Bloomberg. Baker Hughes reported that the number of active crude oil rigs (released weekly) in the U.S. stood at 583 on 2/3/17, up 84.5% from the 12-month low of 316 set on 5/27/16, according to Bloomberg. The price of natural gas closed yesterday's trading session at \$3.05 per million British thermal units (BTUs), up 48.1% from \$2.06 per million BTUs a year ago, according to Bloomberg. Baker Hughes reported that the number of active natural gas rigs in the U.S. stood at 145 on 2/3/17, up 79.0% from the 12-month low of 81 set on 8/5/16, according to Bloomberg.

Wednesday, February 8, 2017

The National Retail Federation (NRF) estimates that U.S. consumers will spend \$18.2 billion to celebrate Valentine's Day this year, down from a record high of \$19.7 billion in 2016, according to its own release. The low over the past decade was \$14.1 billion in 2010. On average, consumers are expected to spend \$136.57. The NRF expects consumers to spend the most on the following: Jewelry (\$4.3 billion); Evening Out (\$3.8 billion); Flowers (\$2.0 billion); Clothing (\$1.9 billion); Candy (\$1.7 billion); and Gift Cards/Gift Certificates (\$1.4 billion).

Thursday, February 9, 2017

Strategists at Bank of America Merrill Lynch think European equities look cheap at the moment relative to U.S. stocks, according to MarketWatch. U.S. stocks are at a 40-year high relative to their European counterparts. European companies are currently trading at a forward-looking price-to-earnings (P/E) ratio of around 14.7 (MSCI Europe Index), compared to 17.8 for U.S. companies (S&P 500 Index). The strategists believe European stocks could move to the upside if companies deliver the double-digit earnings growth they are projecting for 2017 and avoid any further political fallout in the European Union (EU) stemming from last year's Brexit vote (U.K.'s decision to leave the EU).

Friday, February 10, 2017

S&P Global data indicates that U.S. companies refinanced \$100 billion of loans in January 2017, the largest monthly total in at least a decade, according to *The Wall Street Journal*. LevFin Insights LLC data shows that more than 110 low-rated companies have refinanced loans since October. Borrowers in recent months have saved more than \$1 billion in annual interest costs by renegotiating terms with their lenders. Demand for loans is reportedly being driven by investors seeking floating-rate bank loans (leveraged loans). Investors have funneled \$17.0 billion into loan mutual funds since 9/1/16, with \$7.6 billion coming in December, according to data from Lipper Inc.