

Stock Index Performance

Index	Week	YTD	12-mo.	2016	5-yr.
Dow Jones Industrial Avg. (21,006)	0.94%	6.81%	27.24%	16.50%	12.92%
S&P 500 (2,383)	0.71%	6.85%	22.13%	11.95%	14.11%
NASDAQ 100 (5,373)	0.59%	10.75%	25.80%	7.27%	16.75%
S&P 500 Growth	0.70%	8.13%	19.43%	6.89%	14.33%
S&P 500 Value	0.72%	5.40%	24.77%	17.39%	13.75%
S&P MidCap 400 Growth	0.25%	5.89%	23.76%	14.76%	13.04%
S&P MidCap 400 Value	0.13%	3.95%	30.00%	26.52%	14.64%
S&P SmallCap 600 Growth	-0.33%	2.43%	29.15%	22.07%	15.26%
S&P SmallCap 600 Value	-0.50%	0.56%	31.34%	31.21%	15.10%
MSCI EAFE	0.45%	4.68%	12.14%	1.00%	5.30%
MSCI World (ex US)	-0.10%	5.30%	14.95%	4.50%	3.62%
MSCI World	0.49%	5.88%	18.03%	7.51%	9.53%
MSCI Emerging Markets	-1.29%	8.12%	22.15%	11.19%	-0.50%
S&P GSCI	-0.80%	-2.08%	16.01%	11.37%	-14.89%

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 3/3/17. 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	0.08%	6.97%	15.50%	6.03%	16.81%
Consumer Staples	-0.26%	6.73%	9.66%	5.38%	13.76%
Energy	1.45%	-4.94%	19.94%	27.36%	1.44%
Financials	2.08%	7.33%	41.55%	22.75%	17.88%
Health Care	1.36%	10.14%	14.34%	-2.69%	17.97%
Industrials	0.60%	6.08%	25.12%	18.85%	14.80%
Information Technology	0.52%	10.85%	30.09%	13.85%	15.29%
Materials	0.41%	6.11%	25.25%	16.69%	9.41%
Telecom Services	-1.07%	-2.28%	7.10%	23.49%	10.72%
Utilities	-0.15%	6.04%	14.56%	16.29%	12.26%

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 3/3/17. 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	-0.73%	0.00%	-0.72%	1.06%	1.01%
GNMA 30 Year	-0.91%	-0.35%	-0.22%	1.57%	1.68%
U.S. Aggregate	-0.85%	0.20%	0.93%	2.65%	2.09%
U.S. Corporate High Yield	0.33%	3.07%	19.79%	17.13%	6.83%
U.S. Corporate Investment Grade	-0.80%	0.76%	5.66%	6.11%	3.64%
Municipal Bond: Long Bond (22+)	-0.79%	0.60%	0.46%	0.88%	4.25%
Global Aggregate	-1.07%	0.37%	-0.72%	2.09%	0.05%

Source: Barclays. Returns are total returns. The 5-yr. return is an average annual. One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 3/3/17. An index cannot be purchased directly by investors. Past performance is no guarantee of future results.

Key Rates

As of 3/3/17

Fed Funds	0.50-0.75%	5-yr CD	1.80%
LIBOR (1-month)	0.79%	2-yr T-Note	1.31%
CPI - Headline	2.50%	5-yr T-Note	2.01%
CPI - Core	2.30%	10-yr T-Note	2.48%
Money Market Accts.	0.56%	30-yr T-Bond	3.07%
Money Market Funds	0.26%	30-yr Mortgage Refinance	4.11%
6-mo CD	0.75%	Prime Rate	3.75%
1-yr CD	1.27%	Bond Buyer 40	4.31%

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

Market Indicators

As of 3/3/17

TED Spread	40 bps
Investment Grade Spread (A2)	128 bps
ML High Yield Master II Index Spread	360 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 2/22/17

	Current Week	Previous
Domestic Equity	\$807 Million	-\$2.101 Billion
Foreign Equity	\$1.550 Billion	\$1.692 Billion
Taxable Bond	\$4.330 Billion	\$5.440 Billion
Municipal Bond	\$238 Million	\$585 Million

Change in Money Market Fund Assets for the Week Ended 3/1/17

	Current Week	Previous
Retail	-\$1.31 Billion	\$1.68 Billion
Institutional	-\$0.65 Billion	\$3.46 Billion

Source: Investment Company Institute.

Factoids for the week of February 27, 2017

Monday, February 27, 2017

The average price for regular unleaded gasoline in the U.S. stood at \$2.29 per gallon on 2/24/17, up 33.1% from \$1.72 per gallon on 2/24/16, according to the American Automobile Association (AAA). For comparative purposes, the price of a barrel of crude oil stood at \$53.99 per barrel on 2/24/17, up 67.9% from \$32.15 per barrel on 2/24/16. The nation's most expensive markets for gasoline are the following (Avg. price as of 2/27/17): Hawaii (\$3.10); California (\$2.94); Washington (\$2.75); Alaska (\$2.74); and Nevada (\$2.57). AAA noted that gasoline prices will likely rise in March as more refiners switch from winter-blend to summer-blend gasoline and driver demand increases.

Tuesday, February 28, 2017

Moody's Investors Service, Inc. reported that the number of distressed U.S. retailers is at the highest point since the recession of 2008-2009 and is heading toward record levels in the next five years, according to MarketWatch. Moody's has 19 names in its retail and apparel portfolio, 14% of which are now trading at Caa/Ca. That is deep into speculative ("junk bond") territory. Retailers are in the midst of a secular shift to online sales and that is forcing traditional retailers to invest heavily in their ecommerce operations at a time when mall traffic is slowing dramatically, according to MarketWatch. The 19 companies tracked by Moody's have more than \$3.7 billion of debt maturing in the next five years.

Wednesday, March 1, 2017

In February, the dividend-payers (417) in the S&P 500 Index (equal weight) posted a total return of 3.24% vs. 2.29% for the non-payers (88), according to S&P Dow Jones Indices. There are currently 505 stocks in the index. Year-to-date, the payers were up 5.17%, vs. a gain of 5.63% for the non-payers. For the 12-month period ended February 2017, payers were up 25.01%, vs. a gain of 23.26% for the non-payers. The number of dividend increases in February totaled 66, up from 65 a year ago. One dividend was decreased in February.

Thursday, March 2, 2017

LIMRA Secure Retirement Institute estimates that U.S. annuity sales declined 17.0% year-over-year to \$51.0 billion in Q4'16, according to its own data release. It was the weakest quarter for sales since Q1'02. In 2016, total annuity sales declined 6.0% (y-o-y) to \$222.1 billion. Variable annuity (VA) sales totaled \$25.3 billion in Q4'16, down 20% (y-o-y). In 2016, total VA sales declined 21.0% (y-o-y) to \$104.7 billion. Fixed annuity (FA) sales totaled \$25.7 billion in Q4'16, down 13.0% (y-o-y). In 2016, however, FA sales reached a record high \$117.4 billion, topping the previous high set in 2009 by nearly \$7.0 billion.

Friday, March 3, 2017

A study just released by the Harvard University's Joint Center for Housing Studies (JCHS) revealed that U.S. homeowners spent \$221 billion on home improvement, maintenance and repairs in 2015, according to 24/7 Wall St. The JCHS expects inflation-adjusted spending to rise to approximately \$270 billion in 2025. Rising home prices and household incomes, aging housing stock and a pickup in household growth were cited as the primary drivers of home improvement spending.