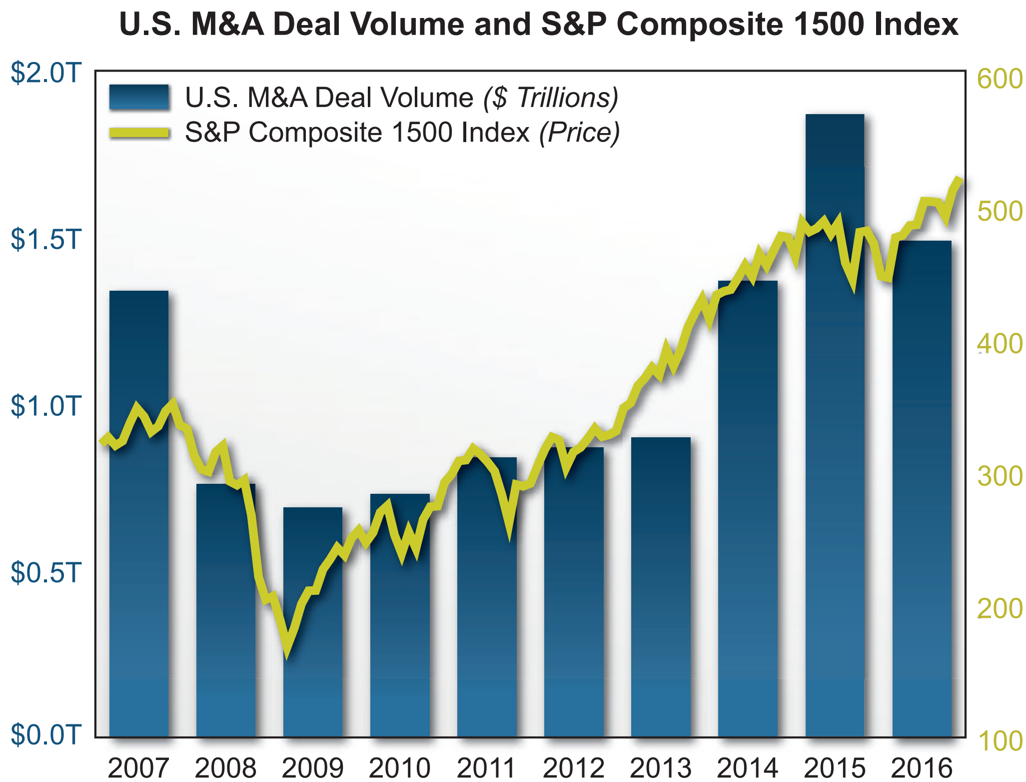
# U.S. Mergers & Acquisitions (M&A) Deal Volume




Source: Bloomberg and Mergermarket.

## View from the Observation Deck

1. Today's blog post is just one more example of how the recovery following the 2008-2009 financial crisis has broadened, in our view.
2. If stock dividends are a barometer of the financial strength of a company, M&A activity is a barometer of the strength of the overall economy, in our opinion.
3. CEOs are more likely to make acquisitions if they are optimistic about the forward-looking prospects for the economy.
4. As indicated in the chart, the dollar volume of announced U.S. M&A deals fell below the $1.0 trillion mark from 2008 through 2013. The 10-year low was $690.3 billion in 2009.
5. M&A volume in 2014 ($1.37 trillion), 2015 ($1.87 trillion) and 2016 ($1.49 trillion), however, eclipsed the amount posted in 2007 ($1.34 trillion), just prior to the 2008-2009 financial crisis.
6. M&A deal making is off to a good start in 2017. In Q1, U.S. volume totaled $300.2 billion, up 19.4% from Q1'16's volume, according to Mergermarket. The average disclosed deal size was $723.8 million, up 51.8% from Q1'16's average.
7. While multibillion dollar mergers tend to garner the most attention from the financial media, most deals involve small and mid-sized companies, which is why we included the price performance of the S&P Composite 1500 Index in the chart.

*This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions and other expenses incurred when investing. Investors cannot invest directly in an index. The S&P Composite 1500 Index is a broad-based, capitalization-weighted index comprised of 1,500 stocks from the S&P MidCap 400 Index, S&P 500 Index and the S&P SmallCap 600 Index.*