

U.S. Equities March 2017

KEY HIGHLIGHTS

- The [S&P 500®](#) fell 0.04% in March, bringing its YTD return to 5.53%.
- The [Dow Jones Industrial Average®](#) returned -0.72% for the month and was up 4.56% YTD.
- The [S&P MidCap 400®](#) was down 0.56% for the month and up 3.56% YTD.
- The [S&P SmallCap 600®](#) returned -0.27% in March, with a 0.74% return YTD.

Exhibit 1: Index Returns

INDEX	1-MONTH (%)	YTD (%)	1-YEAR (%)
S&P 500	-0.04%	5.53%	14.71%
Dow Jones Industrial Average	-0.72%	4.56%	16.84%
S&P MidCap 400	-0.56%	3.56%	18.99%
S&P SmallCap 600	-0.27%	0.74%	22.88%

Source: S&P Dow Jones Indices LLC. Data as of March 31, 2017. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

MARKET SNAPSHOT

March 1, 2017, was a great opening day for the month, as the indices posted their first gains of 1% or more for the year. The S&P 500 was up 1.37% for the day and crossed 2,400 for the first time (but did not close there), while The Dow was up 1.46% for the day and crossed 21,000 for the first time. Both indices closed with new highs for the day. Unfortunately, the month did not end on the first day, and the recent highs caught up with the realization that policy (income tax) may not move as quickly or easily as expected. Yet, the initial pullback was not a correction (10%), and the S&P 500 recovered to post a mild 0.04% decline for the month, leaving it up 10.43% since the U.S. election (11.35% with dividends), with a good showing for Q1 2017, up 5.53% (6.07% with dividends). Not entering a correction, but approaching it (intra-month), was the financials sector, which also recovered late in the month, leaving it off 2.91% in March and up 2.08% for the quarter. Before you cry (or look for bargains), the sector was up 18.94% from the election, and the big banks will start to report their Q1 2017 results on April 13, 2017 (Citigroup [C], JPMorgan Chase [JPM], and Wells Fargo [WFC]), meaning trading may get busy.

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S&P Dow Jones Indices' Market Attributes® series provides market commentary highlighting developments across various asset classes.

Trump and company were busy, as Trump tweeted that former President Obama had wiretapped his phones at Trump Tower (his New York City residence) before the election; both Congress and the FBI investigated, concluding they had no evidence of it. Trump issued a new executive order on travel, addressing the issues from his previous one on Jan. 27, 2017, which had been halted by the court. Similar to the old order, a court ordered it halted, as Trump filed an appeal. Health care legislation started and ended in March, as politics and policy combined in Washington. The “repeal and replace,” also known as the American Health Care Act (AHCA), was slated for approval in the House of Representatives, but it was pulled at the last moment because it did not have enough votes, leaving Obamacare in effect. Trump submitted his fiscal 2018 (October) budget to Congress, which sought increases to defense and cuts to programs for the arts, the environment, foreign aid, and the State Department. Technically unrelated, but related in politics, the debt deal signed in 2013, which ended the 16-day U.S. government closure, ended; the government will work with existing funds before it reaches the limit.

In central bank activity, the ECB left its interest rates, policies, and guidance unchanged “at present or lower levels for an extended period of time,” and the Bank of England kept its rates unchanged. The Bank of Japan met and left its rates and policy unchanged as well; Governor Kuroda said there was “no reason” to stop stimulus or raise rates, with inflation staying well below the target. The FOMC met and, as expected, increased their interest rate by 0.25%—the third increase in the current upward cycle (the previous increases were in December 2015 and December 2016), and it indicated two more potential increases in 2017, and possibly three in 2018.

In global events, Dutch incumbent Prime Minister Mark Rutte and his center-right party won a general election against the far-right contender Geert Wilders. The election was seen as an indication of populist and refugee issues in future European elections. North Korea tested another set of missiles, with the second round exploding within seconds of its liftoff, as the U.S. dialog became more aggressive. A single attacker in London killed three people and left dozens injured on the one-year anniversary of the Brussels attack (which killed 32 people); in a sad commentary, markets reacted little to the attacks. The UK gave official notice (Article 50) to the EU for its separation, starting a two-year negotiating process that is expected to be difficult, political, and potentially public. At the same time, Scotland approved a referendum on independence from the UK, starting in 2018. In coming attractions, French presidential candidate Le Pen, who is ahead in the April 23, 2017, election (with an expected run-off on May 7, 2017) spoke of leaving the EU. Turkey will hold its second referendum on continuing in the EU on April 16, 2017, and Germany’s election will be on Sept. 23, 2017.

In employment and layoffs, the February employment report again came in with a strong beat; the net gain of 235,000 jobs was much better than the 200,000 expectation. January’s 227,000 strong beat was restated up to 238,000, leaving job growth solidly in positive territory. The unemployment rate decreased to 4.7% from 4.8%, and participation moved up to 63.0% from last month’s 62.9%. The average work week was flat at 34.4 hours. Hourly wages moved up 0.2% to USD 26.09 from January’s USD 26.03; the year-over-year gain was 2.8% (from USD 25.38). Coffee retailer and store operator Starbucks (SBUX) said it will add 240,000 new jobs worldwide by 2021 (68,000 in the U.S.), as it adds 12,000 new stores. At a White House meeting with President Trump, cable television issue Charter Communications (CHTR) announced that it will invest USD 25 billion in the U.S., hiring 20,000 workers and moving its call centers to the U.S. Hershey (HSY) said it would let 15% of its workforce go, with most of the cuts coming from outside the U.S.

In U.S. economics, Personal Income for February came in up 0.4%, and Consumer Spending increased 0.1%. The PCE Price Index for February came in up 2.1% year-over-year, while Core PCE was up 1.7% year-over-year. The PPI for February posted 2.2% year-over-year gain, and Core PPI was up 1.5%. The CPI increased 2.7% year-over-year in February, with Core CPI increasing 2.2% year-over-year. Consumer Confidence for March came in much stronger than expected, at 125.6 when 113.8 was expected—March posted the highest level since December 2000. The strong reading was partially determined to come from expectations of higher income by consumers. Q4 2016 GDP was finalized at 2.1%, up from the two initial 1.9% readings and better than the expected 2.0% (the first Q1 2017 report is scheduled for April 28, 2017).

Housing remained mostly positive, as the March Housing Market Index came in at 71, when a lower 66 was expected. Housing Starts and Permits beat, and both reports were restated up for January, to 0.4% and 0.6%, respectively. Existing Home Sales came in down 3.7%, but the year-over-year rate was up 5.4%. New Home Sales were stronger than expected, as were Pending Homes Sales. The S&P CoreLogic Case-Shiller Home Price Index for January came in up 0.2% for the month and up 5.7% year-over-year.

Earnings season will start in April, as the Q1 2017 estimate has declined 3.3% from year-end 2016 and is down 6.0% from where it stood at the end of Q1 2016. The first quarter is expected to come close to the record-holding Q3 2014 (just 0.8% shy), with a 21.6% gain over Q1 2016 expected, which was seen as near the bottom of the recent earnings decline. The easy year-over-year comparisons will make for nice press, but analysts are expected to dissect the numbers and guidance, which could remove some the positive spin for some issues. The real fun will start on April 13, 2017, when the big banks start to report.

Interest rates decreased in March, as the FOMC raised rates and indicated two more increases for the year. Interest rates rose for the first part of the month but declined after that, leaving the monthly change slight and not an indicator of volatility. The 10-year U.S. Treasury Bond closed at 2.39%, flat from last month's 2.39% and down from year-end 2016's 2.45%. The 30-year U.S. Treasury Bond closed at 3.01%, up from last month's 2.98% (3.07% at year-end 2016). The euro closed at 1.0656, up from last month's 1.0586 (1.0520 at year-end 2016); the British pound sterling closed at 1.2548, up from last month's 1.2433 (1.2345), as the UK started the EU divorce clock; the yen fell to close at 111.39 from last month's 112.53 (117.00; reverse reference, which is usually used); and the yuan closed at 6.8866, up from last month's 6.8692 (6.9448). Gold closed at USD 1,251.60, down from last month's USD 1,249.2 (USD 1,152.00 at year-end 2016). Oil broke out of its low USD 50 trading range, falling into and testing the high USD 40s, but it recovered at the end of the month as inventories grew less than expected, closing at USD 50.85, down from last month's USD 54.15 (USD 53.89). U.S. pump prices were basically flat, even as oil declined, closing the month at USD 2.315, up from last month's USD 2.314 per U.S. gallon (2.309). VIX®, "the fear factor," remained low, closing at 12.37, down from last month's 12.94 (14.04).

On an issue level, retail store Target (TGT) missed sales expectations and warned of future business, saying it would revamp their stores. Farm and heavy equipment issue Caterpillar (CAT) said federal agents raided their office, with reports saying they were looking for tax information on overseas reporting. Global oil issue Exxon Mobil (XOM), announced a shift to shale drilling for smaller wells, as it reduces large projects. Bill Ackman's Pershing Square sold its investment in pharmaceutical issue Valeant Pharmaceuticals (VRX), reportedly taking a USD 3 billion loss. Retail store Sears Holding

(SHLD) said in its annual filing with the S.E.C. that there is concern it will not be able to continue to keep its stores open. Auto maker Ford (F) warned on 2017 earnings, and it continued to spend on driverless cars; some analysts also noted sales were under pressure. Investor David Einhorn was pressuring auto maker General Motors (GM) to break its stock into two classes, with one following dividends and the other nonpaying. General Motors rejected the proposal along with his board nominations, and it authorized a USD 5 billion buyback program. Snapchat parent company Snap (SNAP) did its IPO with a 200 million share offering at USD 17 per share, which was above the expected USD 14-16 range. Prices reached over USD 29 and closed the month at USD 22.20.

Of note, North Korea fired four ballistic missiles into the waters off its coast, continuing with its development in spite of outside pressure, and another missile was fired separately, which exploded within seconds of its liftoff; the U.S. dialog became more aggressive. The U.S. Justice Department charged four people, including two officers from Russia's spy agency (Federal Security Service), with hacking Yahoo! and stealing information. One of the suspects was arrested in Canada, and the Justice Department believes the other three are in Russia. The U.S. approved a permit for TransCanada to build the Keystone XL pipeline.

INDEX REVIEW

S&P 500

Within the S&P 500, it was a good month, even if the results did not show it. After a post-election run-up of 10.47%, March traded through the politics, interest rate increase, EU notifications (with more votes coming), and global tensions to hold its ground, posting a minor 0.04% decline, when many expected some consolidation and profit taking (which still could happen). For the quarter, the index posted a broad 5.53% gain, which was significantly better than the 0.77% gain in the first quarter of 2016. Large-cap stocks remained in the news, as Trump and company continued to focus on U.S. jobs and production, with income tax reform seen to be benefiting most.

In sectors, return varied, as only three of the eleven sectors gained for the month, compared to nine of the eleven last month. Financials did the worst, off 2.91% in March, after being down 6.48% in February, as economic concerns caused some profit taking. The sector closed the quarter up 2.08% and was up 18.94% from the November election; it will be the first group to report earnings (starting April 13, 2017). Real estate, which is seen as interest sensitive, fell 1.50% in March after its 4.42% February gain, and the sector was up 2.73% YTD. Utilities (also sensitive) declined 0.52% in March to end the quarter up 5.43%. Energy posted a 1.10% decline in March, as oil spent most of the month under USD 50, with both energy and oil recovering some of their declines at month's end; the sector was down 7.30% YTD—the worst sector in the index. Information technology did the best, up 2.51% for the month, as Apple (AAPL; up 4.87% for the month) set new highs; the sector was up 12.16% YTD—the best of any sector. Consumer discretionary did well, up 1.90% for the month and up 8.09% YTD, with reports showing consumers felt better about the economy (especially their expected income). Health care posted a 0.56% decline for the month, as new legislation came and went, leaving Obamacare unchanged; the sector was up 7.89% YTD.

Breadth, which was strong in January and February, declined and became negative in March. For the month, 239 issues gained (an average gain of 3.38%), down from 382 issues last month (327 the month before that), as 265 were down (averaging a 3.39% decline), up from last month's 123 (176 before that). For the month, 12 issues moved up at least 10% (average 14.90%) compared to 38 last

month, as six declined at least 10% (average fall of 12.21%), down from January's 17 issues. No issue gained at least 25% (one did last month), and none fell at least 25% (none did so last month). For the quarter, breadth was strongly positive, as 350 issues gained, with 141 of them up at least 10%, and 20 of those up at least 25%. On the down side, 154 issues declined for the quarter, as 32 were down at least 10%, and four of those were down at least 25%. Trading was mostly calm, even for the Monday scare after the healthcare defeat (the S&P 500 declined only 0.10%), as actual trading declined 4% for the month, remaining 6% below the yearly average and 2% below the five-year average. Volatility, as measured by the high over the low, declined to 3.39% from February's 4.40%. March's volatility was slightly less than the one-year 3.98% average and significantly less than the five-year 5.40% average. From the Nov. 8, 2016 election, 415 were up and 90 issues were down.

The Dow®

The Dow Jones Industrial Average, which led the headline indices in February when it increased for 12 trading sessions in a row and was up 15 of the 19 trading days, became the lagger this month, as it declined eight days in a row and was down 16 of the 23 trading days. The events were enough to give The Dow watchers twisted necks, technical analysts a bad case of chart phobia, and options payers the ability to straddle profits. Not lost in the action were the calls of optimism last month, and some put gloom and doom on the table for this month. In reality, March madness left The Dow off 0.72%, after it started the month up 1.35%, crossing 21,000 for the first time and closing at a new high. From there, events slightly declined (as did the overall market), as trading consolidated some of the profits, peaking with the FOMC increase, but then declining on concern over income tax reform (which is now built into the market), the defeat of health care (more the symbol of the failure on future legislation than healthcare itself), and some old fashioned profit taking.

For the month, The Dow declined 0.72% to close at 20,663.22 from last month's broad 4.77% gain, which left the index at 20,837.44. The Dow did break and close above 21,000, reaching 21,169.11 (both on March 1, 2017), but it was unable to hold the position.

Breadth was negative, as only 13 of the 30 issues gained (with an average gain of 1.96%), down from last month's 26 winners. There were 17 issues that declined (off an average 2.26%), up from last month's four. For the quarter, however, prior gains outweighed March, as 23 of the issues gained (up an average 7.55%), with four of them up at least 10% (an average gain of 15.85%), as seven declined (an average loss of 5.49%).

Apple was again the leader for The Dow, up 4.87% for the month, after last month's 12.89% gain, which came after January's 4.77% advance. The bottom line for The Dow was that Apple posted a 24.04% YTD gain, replacing the former quarterly leader (due to the post-election move up), Goldman Sachs (GS). While Apple was on the top of the March list, Goldman Sachs was on the bottom, posting a 7.39% decline and moving into the red YTD, with a 4.06% decline. There was some joke about the Goldman Sachs' talent leaving for Washington, but the issue remained up 26.28% from the election, and the pulldown does not appear out of reason for an issue that was considered persona non grata at the end of Q3 2016. Amusement and entertainment issue Walt Disney (DIS) added 3.00% for the month, bringing it to 8.80% YTD, as software issue Microsoft (MSFT) added 2.94% in March, leaving it up 5.99% for the quarter. Oil issue Chevron (CVX) fell 4.56% for the month to post a 8.78% loss for the quarter, and Exxon Mobil (XOM) moved up 0.85% in March but posted a comparable -9.14% for the quarter. Airliner Boeing gave some of its profits back and was off 1.77% for the month, but it was up 13.60% YTD and 24.37% since the election.

S&P MidCap 400

The S&P MidCap 400 declined 0.56% for the month, the worst of the three core S&P U.S. Indices, after February's 2.50% gain. It closed the quarter up 3.56% and posted a one-year gain of 18.99%.

Six of the eleven sectors posted gains, down from nine last month, as the declines flowed deeper than the gains. Telecommunication services was again the worst sector, falling 9.27% after last month's 11.81% fall (it was up 6.17% in January), leaving it off 15.06% YTD and off 18.50% over the one-year period. Pulling the sectors down for the month was also energy, which declined 4.63% and was off 14.20% YTD, as well as financials, which fell 3.07% but remained positive YTD, up 1.74%, and it was up 28.50% over the one-year time period). Consumer groups did the best for March, as consumer confidence was at its highest level since year 2000. Consumer discretionary was up 2.31%, and consumer staples was up 2.74%; year-to-date, the groups were up 4.22% and 2.07%, respectively.

Breadth turned negative, as 185 issues gained (an average of 4.21%), down from last month's 246 issues, with 211 issues down (average -4.57%), up from last month's 134. Moves of at least 10% decreased, as 20 issues gained at least 10% (with an average gain of 13.15%), down from 38 last month, and 19 issues declined at least 10% (average loss of 13.90%), down from 24 issues last month. Year-to-date, 235 issues were up and 162 were down, and 10% gainers outnumbered 10% decliners by 97 to 39.

S&P SmallCap 600

The S&P SmallCap 600 declined 0.27% in March, as large caps got the headlines in Washington, with issues remaining volatile.

The sector returns continued to vary for the month and YTD, with 6 of the 11 groups gaining for the month, down from eight last month. For the one-year period, energy was up 22.18%; the period still incorporates last year's rebound, but the sector was down 34.19% over the two-year period and down 66.29% from the June 2014 close, when oil was at USD 105. Financials also pulled back, falling 3.91% for the month and giving up some of its gains, but it ended the quarter up 9.37% and the one-year period up 20.65%. Telecommunication services rebounded 2.99% but remained in the red YTD, off 4.83%. Information technology added 2.06% in March to be up 4.82% YTD and up 32.47% over the one-year period. Materials posted an on-par decline, off 0.27% for the month, as it remained in the red YTD, off 2.19%, but it was up 45.74% over the one-year period and positive for the three-year period, up 4.63%.

Breadth turned negative, as 275 issues gained (an average gain of 6.97%), down from February's 318 issues, and 322 issues declined (an average 6.44% decline), up from last month's 281 decliners. Sixty-one issues advanced at least 10% (an average gain of 17.18%), compared with 70 last month, and 54 declined at least 10% (an average loss of 17.15%), down from 66 last month. Extreme movements had six issues up at least 25%, compared with 12 last month, and five fell at least 25%, down from seven last month.

S&P Global BMI

It was not an easy month for global markets, but most pulled through with positive returns. Political issues were widespread, as the Dutch (center-right) incumbent beat his far-right contender, in what was seen as an indication on populist and refugee issues. French elections, scheduled for April 23, 2017, (with a potential run-off on May 7, 2017) will deal with many of the same issues. German elections are scheduled for Sept. 27, 2017. The head of the Scottish National Party, Scotland's governing body within the UK, said she would ask for a vote to leave the UK, potentially in 2018 (which was not well received by Prime Minister May), and the UK gave official notice to separate from the EU. North Korea tested another missile, which exploded within seconds of its liftoff, and the U.S. dialog became more aggressive. A single attacker in London killed three people and left dozens injured on the one-year anniversary of the Brussels attack, which killed 32 people. In a sad commentary, markets reacted little to the attacks. In the U.S., healthcare legislation started and ended in March, as politics and policy combined in Washington; the "repeal and replace," also known as the American Health Care Act (AHCA), was slated for approval, but it was pulled because the votes were not there, effectively leaving the Affordable Care Act in place. It was Trump's first major legislative initiative, and he was unable to close the deal; concern over his ability to pass income tax reform grew. Also in the U.S., as expected, the FOMC raised interest rates, indicating there would be two more increases this year and potentially three next year.

For the month, global markets added 0.92%, with 36 of 47 markets up, after February's 2.60% and January's 2.67% gain. This resulted in a first quarter gain of 6.31%, which was significantly better than the Q1 2016 decrease of 0.27%. Absent the 0.08% decline posted by the U.S., global markets were up 2.02% for the month, and absent the sub-par 5.29% U.S. first quarter return (which left most in the U.S. happy), global markets were up 7.41% for Q1 2017, an impressive return considering the global uncertainty. The advance in non-U.S. markets left them up 7.80% since the U.S. November elections, and the U.S. was up 11.04% from that point; global markets, including the U.S., were up 9.46% since the elections.

Emerging markets did much better than developed, posting a 1.93% return for the month, with 15 of the 22 posting gains. For the quarter, emerging markets broke into double-digits, with a 10.74% gain, and the one-year return was 15.23%. Mexico did the best, rebounding 9.78% for the month, as tensions with the U.S. took a back seat; the country was up 15.45% YTD but was still in the red from the U.S. election, off 2.05%. Chile added 7.02% for the month and was up 15.45% for the quarter, and India posted the third-best return in March, up 6.33% for the month and 19.35% YTD. Egypt did the worst in March, off 4.75%, with a YTD return of 6.09%. Brazil followed, off 4.46% for the month but up 10.51% YTD. Qatar was next, off 3.94% in March and off 1.83% YTD.

Developed markets posted a 0.82% gain for March, while the ex-U.S. return was up 2.04%—much more in line with the emerging markets. Spain did the best, posting 10.13% for the month and 13.22% YTD, followed by Italy, up 9.38% and up 8.85% YTD, and then Portugal, which gained 8.12% and was up 8.63% YTD. On the down side, New Zealand did the worst, off 4.10% in March but up 3.29% for the quarter, followed by Norway, which fell 3.13% for the month but also remained positive YTD, at 0.33%. Japan was next, posting a 1.04% monthly gain and ending the quarter up 5.29%. Of note were the UK, as it gave notice of its exit from the EU, and France, ahead of its upcoming elections. The UK added 1.40% and was up 4.14% YTD, while France gained 6.11% and was up 7.08% YTD.

PERFORMANCE RECAP

Exhibit 2: Monthly Returns							
S&P 500	PRICE	1-MONTH (%)	YTD (%)	1-YEAR (%)	3-YEAR (%)	5-YEAR (%)	FR 12/99 (%)
Energy	514.01	-1.10	-7.30	11.16	-21.27	-4.54	141.63
Materials	328.73	0.18	5.31	16.65	10.18	40.40	105.51
Industrials	559.63	-0.77	4.01	15.71	24.17	72.98	104.71
Consumer Discretionary	700.24	1.90	8.09	11.43	36.40	96.40	133.95
Consumer Staples	561.79	-0.71	5.64	3.35	27.12	59.83	170.03
Health Care	859.75	-0.56	7.89	9.68	26.99	97.30	163.10
Financials	394.58	-2.90	2.08	29.92	31.06	85.39	22.65
Information Technology	906.21	2.51	12.16	22.94	51.96	82.49	12.23
Telecommunication Services	167.68	-1.23	-5.06	-2.82	8.61	28.35	-48.06
Utilities	260.25	-0.52	5.44	3.30	23.55	46.15	82.71
Real Estate	195.41	-1.51	2.72	-0.89	22.70	37.53	-
S&P 500	2362.72	-0.04	5.53	14.71	26.19	67.75	60.81
DOW JONES INDUSTRIAL AVERAGE	PRICE	1-MONTH (%)	YTD (%)	1-YEAR (%)	3-YEAR (%)	5-YEAR (%)	FR 12/99 (%)
Dow Jones Industrial Average	20663.22	-0.72	4.56	16.84	25.55	56.40	79.73
S&P MIDCAP 400	PRICE	1-MONTH (%)	YTD (%)	1-YEAR (%)	3-YEAR (%)	5-YEAR (%)	FR 12/99 (%)
Energy	435.40	-4.63	-14.20	3.17	-51.20	-39.23	148.14
Materials	460.26	-0.45	7.50	28.10	22.94	67.84	314.76
Industrials	864.56	0.00	3.09	23.10	24.92	88.00	385.66
Consumer Discretionary	703.65	2.31	4.22	7.53	11.46	66.14	253.74
Consumer Staples	1725.49	2.74	2.07	10.67	32.39	113.95	890.43
Health Care	1431.48	0.52	9.51	19.89	55.17	151.47	709.13
Financials	918.64	-3.07	1.74	28.50	41.05	81.53	177.66
Information Technology	1992.56	0.50	7.17	29.24	37.87	68.87	136.46
Telecommunication Services	222.48	-9.27	-15.06	-18.50	-2.17	26.84	-52.98
Utilities	512.49	0.37	4.92	12.10	27.09	75.60	269.98
Real Estate	230.19	-3.36	0.44	-	-	-	-
S&P MidCap 400	1719.65	-0.56	3.56	18.99	24.75	72.95	286.72
S&P SMALLCAP 600	PRICE	1-MONTH (%)	YTD (%)	1-YEAR (%)	3-YEAR (%)	5-YEAR (%)	FR 12/99 (%)
Energy	662.90	-4.99	-13.48	22.18	-64.18	-50.10	326.58
Materials	475.12	-0.27	-2.19	45.74	4.63	61.56	244.64
Industrials	915.48	-1.04	0.42	23.90	21.94	85.87	357.88
Consumer Discretionary	484.31	2.13	0.24	7.83	9.48	66.35	257.35
Consumer Staples	1634.95	3.00	-0.79	13.05	31.91	97.97	720.14
Health Care	1917.22	1.91	9.37	20.65	51.35	134.37	959.00
Financials	961.82	-3.91	-3.31	30.49	34.91	77.87	228.37
Information Technology	637.11	2.06	4.82	32.47	60.94	134.00	132.97
Telecommunication Services	2.76	2.99	-4.83	9.09	11.94	12.67	-96.24
Utilities	855.80	0.40	3.25	11.27	46.34	77.16	355.94
Real Estate	201.11	-2.45	0.05	-	-	-	-
S&P SmallCap 600	844.17	-0.27	0.74	22.88	25.79	82.15	326.80

Source: S&P Dow Jones Indices LLC. Data as of March 31, 2017. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

Exhibit 3: Total Returns

INDEX	1-MONTH (%)	YTD (%)	1-YEAR (%)	3-YEAR (%)	5-YEAR (%)	10-YEAR (%)
S&P 500	0.12	6.07	17.17	34.45	86.71	106.27
S&P MidCap 400	-0.39	3.94	20.92	30.79	86.85	135.96
S&P SmallCap 600	-0.12	1.06	24.59	31.11	94.63	132.53
S&P Composite 1500	0.07	5.74	17.67	34.00	86.97	109.41
Dow Jones Industrial Average	-0.60	5.19	19.91	35.34	77.46	117.83

Source: S&P Dow Jones Indices LLC. Data as of March 31, 2017. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Exhibit 4: S&P Global BMI, Emerging, Sorted by March Performance

BMI MEMBER	1-MONTH (%)	YTD (%)	6-MONTH (%)	1-YEAR (%)	2-YEAR (%)	3-YEAR (%)
Global	0.92	6.31	7.23	13.09	6.09	9.53
Global Ex-U.S.	2.02	7.41	5.30	10.37	-0.61	-3.67
Emerging	1.93	10.74	6.39	15.23	-0.36	-0.72
Mexico	9.78	15.45	4.78	-5.50	-11.61	-17.67
Chile	7.02	15.16	17.31	19.88	9.75	-1.81
India	6.33	19.35	10.32	24.53	8.71	38.69
Colombia	4.11	4.74	1.25	6.15	-5.46	-41.09
Malaysia	3.54	8.97	-1.52	-8.90	-18.04	-28.75
Indonesia	3.49	5.33	-1.70	10.51	-6.49	-6.23
Greece	3.41	2.27	14.47	7.68	-31.83	-71.63
Thailand	2.33	6.55	6.37	14.89	-1.17	7.18
Russia	2.28	-2.02	13.96	26.99	24.39	-11.34
Taiwan	1.94	13.17	10.14	18.45	3.97	10.06
Poland	1.81	18.20	21.27	7.82	-5.14	-24.85
China	1.68	11.91	4.86	16.10	-2.72	12.61
Turkey	1.55	9.74	-4.40	-17.36	-20.23	-24.83
Czech Republic	1.23	6.97	4.43	-5.28	-10.57	-26.49
Philippines	0.91	5.53	-6.50	-5.01	-16.13	2.47
Peru	-0.23	5.38	10.45	29.22	17.40	5.81
Hungary	-1.21	-0.39	9.18	12.26	52.03	33.77
South Africa	-1.35	3.73	-0.60	7.30	-12.88	-10.22
U.A.E.	-2.71	-1.11	-0.67	2.66	-6.19	-21.66
Qatar	-3.94	-1.83	-0.61	1.37	-13.75	-9.89
Brazil	-4.46	10.51	12.06	41.83	19.58	-19.23
Egypt	-4.75	6.09	-17.98	-13.15	-37.99	-34.72

Source: S&P Dow Jones Indices LLC. Data as of March 31, 2017. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

Exhibit 5: S&P Global BMI, Developed, Sorted by March Performance

BMI MEMBER	1-MONTH (%)	YTD (%)	6-MONTH (%)	1-YEAR (%)	2-YEAR (%)	3-YEAR (%)
Developed	0.82	5.85	7.32	12.86	6.77	10.68
Developed Ex-U.S.	2.04	6.59	5.02	9.20	-0.73	-4.35
Spain	10.13	13.23	12.72	12.69	-10.19	-21.07
Italy	9.38	8.85	19.00	6.50	-10.39	-25.22
Portugal	8.12	8.63	4.18	-2.40	-10.04	-44.65
France	6.11	7.08	9.31	9.25	3.15	-7.49
Netherlands	5.31	10.91	8.59	11.16	7.96	9.20
Korea	4.63	15.27	4.98	13.16	5.85	2.95
Germany	4.25	8.33	9.22	11.53	-1.24	-6.04
Austria	4.19	11.35	13.28	17.73	13.15	-7.68
Belgium	3.65	5.95	-5.18	0.33	1.80	4.90
Finland	2.55	4.66	0.61	6.38	1.04	-1.46
Singapore	2.36	12.88	7.76	6.54	-7.69	-9.80
Ireland	2.28	6.11	4.76	-0.10	14.06	13.64
Hong Kong	2.11	11.08	1.90	10.19	-3.41	4.37
Sweden	2.02	7.29	5.09	6.03	-0.40	-7.30
Australia	1.97	9.27	7.66	15.12	0.16	-10.69
Luxembourg	1.63	12.09	12.81	20.41	-4.06	-22.89
Switzerland	1.61	7.67	3.65	7.10	-4.05	-4.39
United Kingdom	1.40	4.14	2.12	2.04	-8.77	-16.54
Denmark	1.38	5.77	-2.51	-7.57	-1.27	3.77
Israel	1.36	8.90	0.13	-2.70	-11.02	-8.62
Canada	0.21	2.32	4.24	12.87	-0.61	-10.62
United States	-0.08	5.29	9.08	15.70	12.92	24.40
Japan	-1.04	4.20	3.64	13.04	5.37	16.19
Norway	-3.13	0.33	2.94	12.01	-4.28	-29.88
New Zealand	-4.10	3.29	-8.05	3.04	5.92	-0.54

Source: S&P Dow Jones Indices LLC. Data as of March 31, 2017. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

Exhibit 6: Price-to-Earnings Ratios

INDEX	2014	2015	ESTIMATED 2016	ESTIMATED 2017
S&P 500	14.73	22.69	22.24	18.21
S&P 500 Consumer Discretionary	16.89	22.17	21.03	20.12
S&P 500 Consumer Staples	15.96	22.18	22.18	20.72
S&P 500 Energy	12.03	-38.97	-147.28	30.54
S&P 500 Financials	13.46	16.83	16.59	14.20
S&P 500 Health Care	14.68	21.02	20.26	16.14
S&P 500 Industrials	14.76	19.49	20.67	18.54
S&P 500 Information Technology	14.19	22.20	23.86	18.09
S&P 500 Materials	16.20	38.50	25.25	18.53
S&P 500 Telecommunication Services	43.21	14.02	17.01	13.62
S&P 500 Utilities	14.84	22.21	19.04	18.44
S&P 500 Real Estate	-	-	-	39.08
INDEX	2014	2015	ESTIMATED 2016	ESTIMATED 2017
S&P MidCap 400	18.71	30.41	26.64	20.40
S&P 400 Consumer Discretionary	18.19	20.80	18.53	16.73
S&P 400 Consumer Staples	16.80	23.84	24.51	21.62
S&P 400 Energy	22.82	-4.95	-8.20	-69.78
S&P 400 Financials	18.61	25.05	20.50	16.83
S&P 400 Health Care	21.24	27.39	28.68	19.59
S&P 400 Industrials	15.55	21.56	21.52	19.53
S&P 400 Information Technology	23.60	40.03	33.39	19.71
S&P 400 Materials	17.93	28.08	25.74	17.74
S&P 400 Telecommunication Services	34.07	13.29	69.74	-24.29
S&P 400 Utilities	15.52	23.42	21.05	20.46
S&P 400 Real Estate	-	-	-	33.36
INDEX	2014	2015	ESTIMATED 2016	ESTIMATED 2017
S&P SmallCap 600	22.04	42.43	32.98	21.44
S&P 600 Consumer Discretionary	21.45	23.16	20.29	18.25
S&P 600 Consumer Staples	18.26	20.41	21.48	18.75
S&P 600 Energy	77.57	-2.48	-5.57	-75.42
S&P 600 Financials	20.10	26.37	20.89	17.42
S&P 600 Health Care	21.59	43.30	138.23	30.55
S&P 600 Industrials	17.85	24.72	24.68	19.86
S&P 600 Information Technology	31.37	41.01	37.59	20.06
S&P 600 Materials	22.56	46.69	24.89	19.54
S&P 600 Telecommunication Services	24.20	36.50	39.43	34.50
S&P 600 Utilities	16.69	23.40	23.99	21.73
S&P 600 Real Estate	-	-	-	34.61

Source: S&P Dow Jones Indices LLC. Data as of March 31, 2017. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Exhibit 7: Operating EPS Changes

INDEX	Q1 2016 OVER Q1 2015 (%)	Q2 2016 OVER Q2 2015 (%)	Q3 2016 OVER Q3 2015 (%)	Q4 2016E OVER Q4 2015	Q1 2017E OVER Q1 2016	2016E OVER 2015 (%)	2017E OVER 2016E
S&P 500	-7.13	-1.68	12.78	20.99	21.57	5.78	22.13
S&P 500 Consumer Discretionary	20.12	12.48	5.69	1.92	-4.94	9.40	4.50
S&P 500 Consumer Staples	0.00	-1.25	8.99	8.83	5.60	4.15	7.03
S&P 500 Energy	-464.58	-303.92	119.25	105.00	212.92	74.54	582.23
S&P 500 Financials	-11.49	-6.19	17.25	16.50	18.83	3.43	16.81
S&P 500 Health Care	3.35	13.02	11.47	10.97	21.35	9.61	25.49
S&P 500 Industrials	-5.31	2.59	-2.98	-7.62	-1.36	-3.29	11.49
S&P 500 Information Technology	-12.24	-6.66	2.78	13.28	40.22	0.00	31.91
S&P 500 Materials	-45.95	29.55	198.40	674.29	167.07	53.54	36.25
S&P 500 Telecommunication Services	-3.45	-34.69	-9.09	-26.59	11.79	-18.91	24.85
S&P 500 Utilities	-4.69	-9.76	15.19	1400.00	-2.46	21.51	3.22
S&P 500 Real Estate	-	-	-	-	-	-	-
INDEX	Q1 2016 OVER Q1 2015 (%)	Q2 2016 OVER Q2 2015 (%)	Q3 2016 OVER Q3 2015 (%)	Q4 2016E OVER Q4 2015	Q1 2017E OVER Q1 2016	2016E OVER 2015 (%)	2017E OVER 2016E
S&P MidCap 400	-7.39	10.45	17.84	54.76	33.51	16.33	30.59
S&P 400 Consumer Discretionary	24.23	13.68	16.43	13.17	-0.13	16.22	10.77
S&P 400 Consumer Staples	-3.46	-4.13	-3.77	4.23	4.01	-1.84	13.35
S&P 400 Energy	-451.52	45.63	68.94	66.05	80.40	46.60	88.25
S&P 400 Financials	6.02	0.73	44.52	43.21	35.44	23.34	21.75
S&P 400 Health Care	24.73	8.62	-14.98	-11.62	32.21	-0.04	46.40
S&P 400 Industrials	4.65	2.50	4.97	-8.27	3.37	0.95	10.18
S&P 400 Information Technology	-3.15	22.07	44.10	33.38	126.33	25.83	69.40
S&P 400 Materials	-37.42	23.45	37.16	38.99	100.70	12.24	45.08
S&P 400 Telecommunication Services	-95.61	4.13	-82.86	-400.00	-476.56	-84.76	-387.15
S&P 400 Utilities	5.31	0.25	5.44	55.19	6.23	15.08	2.87
S&P 400 Real Estate	-	-	-	-	-	-	-
INDEX	Q1 2016 OVER Q1 2015 (%)	Q2 2016 OVER Q2 2015 (%)	Q3 2016 OVER Q3 2015 (%)	Q4 2016E OVER Q4 2015	Q1 2017E OVER Q1 2016	2016E OVER 2015 (%)	2017E OVER 2016E
S&P SmallCap 600	8.72	21.83	55.56	37.74	45.71	30.21	53.79
S&P 600 Consumer Discretionary	17.58	13.33	-4.69	48.74	-17.57	17.47	11.19
S&P 600 Consumer Staples	20.86	8.70	10.61	-34.26	-20.10	-1.26	14.60
S&P 600 Energy	28.88	43.87	78.34	77.89	85.87	61.30	92.61
S&P 600 Financials	23.24	19.08	31.68	24.71	29.99	24.70	19.90
S&P 600 Health Care	-26.65	-29.82	-89.44	-116.95	58.35	-65.95	352.42
S&P 600 Industrials	-3.16	10.13	15.15	-23.24	14.57	0.41	24.29
S&P 600 Information Technology	-5.99	3.99	12.50	27.97	158.57	11.51	87.37
S&P 600 Materials	13.03	100.00	68.66	421.43	29.91	85.16	27.34
S&P 600 Telecommunication Services	0.00	0.00	-33.33	0.00	0.00	-12.50	14.29
S&P 600 Utilities	-6.82	10.90	103.56	-20.45	8.19	1.54	10.40
S&P 600 Real Estate	-	-	-	-	-	-	-

Source: S&P Dow Jones Indices LLC. Data as of March 31, 2016. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Exhibit 8: Breadth of Change (Issues With Monthly Price Changes as Described by Type)**S&P 500**

TYPE	MARCH 2017	AVERAGE % CHANGE	YTD	AVERAGE % CHANGE
Up	239	3.38	350	10.23
Down	265	-3.39	154	-6.69
Up >= 10%	12	14.90	141	18.07
Down <= -10%	6	-12.21	32	-16.34
Up >= 25%	0	0.00	20	32.95
Down <= -25%	0	0.00	4	-28.54
Up >= 50%	0	0.00	1	52.53
Down <= -50%	0	0.00	0	0.00

S&P MIDCAP 400

TYPE	MARCH 2017	AVERAGE % CHANGE	YTD	AVERAGE % CHANGE
Up	185	4.21	235	10.75
Down	211	-4.57	162	-7.59
Up >= 10%	20	13.15	97	18.70
Down <= -10%	19	-13.90	39	-17.45
Up >= 25%	1	25.24	17	32.95
Down <= -25%	2	-26.04	6	-31.34
Up >= 50%	0	0.00	1	74.29
Down <= -50%	0	0.00	0	0.00

S&P SMALLCAP 600

TYPE	MARCH 2017	AVERAGE % CHANGE	YTD	AVERAGE % CHANGE
Up	275	6.97	256	13.44
Down	322	-6.44	344	-11.81
Up >= 10%	61	17.18	127	22.27
Down <= -10%	54	-17.15	160	-19.60
Up >= 25%	6	43.98	34	38.77
Down <= -25%	5	-39.79	36	-34.55
Up >= 50%	2	65.70	5	65.95
Down <= -50%	1	-73.33	2	-71.36

DOW JONES INDUSTRIAL AVERAGE

TYPE	MARCH 2017	AVERAGE % CHANGE	YTD	AVERAGE % CHANGE
Up	13	1.96	23	7.55
Down	17	-2.26	7	-5.49
Up >= 10%	0	0.00	4	15.85
Down <= -10%	0	0.00	0	0.00
Up >= 25%	0	0.00	0	0.00

Source: S&P Dow Jones Indices LLC. Data as of March 31, 2017. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

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