

## U.S. Equities November 2017

### KEY HIGHLIGHTS

- The [S&P 500](#)<sup>®</sup> gained 2.81% in November, bringing its YTD return to 18.26%.
- The [Dow Jones Industrial Average](#)<sup>®</sup> returned 3.83% for the month and was up 22.82% YTD.
- The [S&P MidCap 400](#)<sup>®</sup> was up 3.49% for the month and up 14.37% YTD.
- The [S&P SmallCap 600](#)<sup>®</sup> returned 3.39% in November, with a 12.53% return YTD.

INDEX	1-MONTH (%)	3-MONTH (%)	YTD (%)	1-YEAR (%)
S&P 500	2.81	7.12	18.26	20.41
Dow Jones Industrial Average	3.83	10.59	22.82	26.92
S&P MidCap 400	3.49	9.72	14.37	16.69
S&P SmallCap 600	3.39	12.20	12.53	16.12

Source: S&P Dow Jones Indices LLC. Data as of Nov. 30, 2017. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

### MARKET SNAPSHOT

Please allow me to introduce myself, I'm a *bull* of wealth and taste. I've been around for a long, long time, and stole many a *short-sellers* soul to waste. I was 'round when *balance sheet* was no more than a *FANG*, as the *Fed* had its moment of doubt and pain. Pleased to meet you, hope you guess my name. But what's puzzling you is the nature of my *longevity*.

Sorry to repeat myself—actually I am not and hope to do it again next month—but the beautiful bottom line is that the S&P 500 and the S&P Global BMI (Broad Market Index) each posted another month of gains. If that seems like *déjà vu*, it's only because we've heard it before. Actually, on a total return basis, we've now heard it 13 times in a row. This month marked a record for the S&P Global BMI, since it was formed in a merger between the developed and emerging markets in 1995. As for the S&P 500, this was the second time it posted gains for 13 months in a row—the only other time was in 1959, when the run ran for 15 months (on a total return basis). At this point, the market just keeps going up, maybe not like Bitcoin, but up (and few of us could live through Bitcoin volatility in the general market). Earnings set a record in Q3 2017 and are expected to set another one in Q4 2017, and Washington may be giving us a holiday gift (even as they decide who's been naughty or nice). The economy continues to look good, with housing building up, unemployment low (and even a few skilled job

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

markets showing wage increases), and interest rates expected to move up slowly—maybe a little more quickly under the new management, but still slowly.

Somehow, a 105-month-old bull keeps going—not universally, but overall, as direct investors and indirect investors appeared to rush to their smartphones and storefronts to pass the joy on via their holiday buying. As for those doing the selling (retailers and e-commerce), their opening season appears to be going well on a sales front, but it will need to do very well to make up for the prior nine months (most have a January fiscal). On the market front, the selection is mixed, as Amazon (AMZN), Wal-Mart (WMT), Home Depot (HD), and Best Buy (BBY) are all up 30% or more YTD, while Macy's (M), Target (TGT), L Brands (LB), and Foot Locker (FL) all posted double-digit declines YTD.

At this point, we've seen only a little being taken off the table. It's hard to tell whether that is because of good fundamentals or the addiction to gains (which some call greed), but like so much else it could be a combination of the two. At this point, all I can say is "it ain't over till it's over," but it sure has been a nice ride to date.

As for now, income tax is likely to dominate the trades (as the Senate has delayed the vote), with the hope that no one gets nervous and starts a stampede for the door. For December, shoppers are expected to crowd the stores while special interest groups crowd into the back rooms of D.C. In the bar, the talk is split between staying in or taking a little off the top (have to be in it to win it) and being generous to your local municipality (be it property or state income taxes; after all, we are working people on the Street) and charities this December, before a potential rule change.

Trump's Asia trip appeared to go smoothly, as expectations were low for breakthroughs on North Korea and trade. Trump met China's President Xi Jinping, and they reached international deals (outlines, letters of intent) valued at USD 250 billion. Trump and Russian President Putin did not formally meet in Vietnam, but they did briefly talk during a photo session for the Asia-Pacific summit. Trump completed his Asia trip saying, "trade abuses harm the U.S. and its workers, but no more," adding that the 21 APEC leaders now recognized that. The U.S. elections, as expected, produced gains for the Democrats, but left both chambers (House and Senate) in Republican control. A bipartisan group in the U.S. Senate reached a deal to remove the Systemically Important Financial Institution (SIFI) designation for banks under USD 250 billion; the full Senate will need to vote on it. State regulators in Nebraska (U.S.) approved the last section of the Keystone XL Pipeline (started in 2008) needed to proceed. Alabama's Dec. 12, 2017, special election to replace former Republican Senator Jeff Sessions (term ends Jan. 3, 2021), who President Trump appointed as U.S. Attorney General (his Senate seat is being temporarily held by Luther Strange, who is not running in the election), has become unpredictable; the winner will be sworn in January 2018. Currently, the Republicans control the U.S. Senate, 51-49 (in a tie, the vice president, currently a Republican, votes).

Congress (and Trump) unveiled their initial income tax reform legislation, which is expected to change as it moves through committees and Congress. Among the highlights of initial legislation for corporations are: reduce the U.S. corporate tax to 20% from the current 35%, set a (maximum) 12% repatriation tax rate, set a 10% minimum global tax, and permit full equipment write-offs over five years. For individuals: (effectively) eliminate taxes for lower and some middle income, increase the standard deduction, and limit certain deductions of state taxes, home and student interest expenses, and medical costs. The U.S. Senate released its legislative version of tax reform, which differed from the House version, with the major differences being the Senate would delay corporate tax rate cuts until 2019, as it increased the actual number and rates for tax brackets. The two chambers need to agree

on one (compromised) version, as outside special interests increase their lobbying efforts on both. At this point, the Senate is still attempting to put enough votes together to pass a bill, which would send it to reconciliation with the House (where the real fun and lobbying is). The Consumer Financial Protection Bureau (CFPB), created as part of the Dodd-Frank legislation in 2011, vaulted into the news, as a battle for the temporary leadership of the agency emerged between the leaving head, who appointed a temporary leader, and Trump, who said it was his decision and appointed budget director Mick Mulvaney; the courts quickly ruled with Trump.

The Black Friday shopping weekend took in USD 7.9 billion in online sales, as estimates for Cyber Monday (Nov. 27, 2017) sales showed a record USD 6.6 billion, with Black Friday estimated to be USD 5.0 billion and Thanksgiving Day at USD 2.9 billion. As of Nov. 27, 2017, November sales were at USD 50 billion, up 16.8% year-over-year. Related, Amazon hit an all-time high, as CEO Jeff Bezos's net worth reached USD 100 billion (the first person to reach that level, and currently the richest person in the world). A study said Wal-Mart's aggressive discount pricing via Walmart.com has narrowed its gap with Amazon to 0.3%.

Catalonia's former President (Carles Puigdemont) fled to Belgium, with Spain seeking his extradition. Saudi Arabia (via 32-year-old Crown Prince Mohammed bin Salman, designated successor to King Salman) continued with its official attack on corruption, as arrests were made, prominent businessmen were detained, and bank accounts were frozen. Initial reports said USD 800 billion held by individuals (not their companies) was targeted in the crackdown, with considerable amounts outside of Saudi Arabia. Germany's Chancellor Merkel failed to form a three-way coalition government, with German President Steinmeier responsible for deciding how to continue (continued negotiations, minority government, and new election). Zimbabwe President Robert Mugabe (age 93; ruled for 37 years) resigned under pressure from military requests, which spread to pressure from political parties. Over 300 people were killed at an explosion and shooting at a Mosque in Sinai, Egypt. North Korea tested an intercontinental ballistic missile, its first launch since September 2017, capable of reaching the U.S. eastern coastline. In central bank and related news, the Bank of England, as expected, increased its interest rates by 0.25% (to 0.50%), its first increase since July 2007. The bank said it expected future interest rates to be "very gradual"; the statements were seen as dovish. ECB President Mario Draghi said the central bank needs to be "patient for inflation to return sustainably."

The two-day FOMC meeting ended with no surprises, as a December interest rate was still expected; the Fed did comment that economic activity was rising, even after hurricane-related disruptions. Trump nominated Fed Governor Jerome Powell to become the Chairman of the Federal Reserve (subject to Congressional approval, which is expected), replacing current Chair Yellen (on Feb. 1, 2018) for a five-year term. Powell is seen as slightly more dovish than Yellen, but he sounded slightly more hawkish when he appeared before the U.S. Senate Banking Committee as part of his nomination, as he also said he favored some relief on the Volcker rules. Trump nominated economist and Carnegie Mellon University Professor Marvin Goodfriend to an open position on the Federal Reserve Board of Governors, who will need to be confirmed by the U.S. Senate. New York Fed President William Dudley said he will enter early retirement in mid-2018, ahead of his January 2019 retirement date, stating that he was doing so "to ensure that a successor is in place well before the end of his term." Former Pimco CEO Jamie El-Erian was rumored to be one of Trump's possibilities to replace Fisher as the next Fed Vice Chair. The Street views El-Erian as an experienced market participant, which would add to what the Street views as the Fed's heavy agency and academic makeup. Chair Yellen said she would resign her position at the Fed (though her term ends in 2024) after the new chair, Jerome Powell, takes over

on Feb. 3, 2018. The minutes to the Oct. 31-Nov. 1, 2017, FOMC meeting showed that the Fed saw inflation continuing to move slowly, as it had some concern about the recent U.S. dollar run-up. Yellen gave her economic outlook before Congress (for the last time), as she said the recovery is “increasingly broad based” in the U.S., as well as globally, which will permit continued interest rate increases. The Fed Beige Book spoke on continued specific labor shortages, as the economy was growing at a moderate pace. The Street continues to expect the Fed to increase rates by 0.25% at its Dec. 11-12, 2017, meeting (still under Chair Yellen), with another one potentially in March 2018 (when it is under new management).

Eurozone retail sales increased 0.7% in September, a new high (August was down 0.1%). Eurozone inflation for October was 1.4%, down from 1.5% in September and well below the 2.0% target rate. German Industrial Production in September declined 1.6% after increasing 2.6% in August (which set a new high). Japanese Q3 2017 GDP posted a 0.3% gain (1.4% year-over-year), down from the Q2 2017 0.6% gain. Mexico reported its Q3 2017 GDP contracted 0.2% for the third quarter, the first decline in over four years.

In U.S. economics, the October PMI Manufacturing came in at 54.6, as expected, and the ISM Manufacturing October reading was 58.7, when 59.5 was expected; September was 60.8. The Services PMI for October came in flat at 55.3, when an increase to 55.9 was expected, as the ISM Non-Manufacturing Index beat the 58.6 expected level, coming in at 60.1, up from September's 59.8 level. The November PMI Composite ticked down to 54.6, when 55.4 was expected; October was 55.7. The PPI for October posted a 0.4% increase, when a lower 0.1% gain was expected; the year-over-year gain was 2.8%. The October CPI came in at 0.1%, as expected, and the year-over-year rate was 2.0%; Core CPI (ex-food and energy) was up 0.2% and up 1.8% year-over-year. Retail Sales for October came in up 0.2%, when 0.01% was expected. Retail Inventories for October declined 0.1%, as Wholesale Inventories declined 0.4%. Imports for October increased 0.2%, when a 0.4% gain was expected, and the year-over-year gain was 2.5%; exports were flat, when a 0.1% gain was expected, and the year-over-year gain was 2.7%. International Trade for October came in with a USD 68.3 billion deficit (up from September's USD 64.1 billion deficit), as exports declined 1.0% for the month and imports increased 1.5%. Motor Vehicle Sales were strong in October; discounts and incentives appear to have played a role. Ford (F) reported a 6.2% gain in year-over-year sales, and General Motors (GM) reported a 2.2% decline in sales. Industrial Production for October posted a 0.9% increase, when a lower 0.5% gain was expected, as Capacity Utilization increased to 77.0% from September's 76.4%. Construction Spending for September came in up 0.3%, when it was expected to be flat; the year-over-year gain was 2.0%. Factory Orders for September posted a 1.4% gain, when they were expected to post a 1.2% gain (the same as last month). Business Inventories for September were flat in August, when a 0.1% gain was expected (August was up 0.7%). Durable Goods Orders for October declined 1.2%, when they were expected to gain 0.4%; the year-over-year rate was up 1.0%. Wholesale Trade for September posted a 0.3% increase, as expected. Non-Farm Productivity for Q3 2017 was up 3.0%, when a 2.5% gain was expected, as Unit Labor Costs increased 0.5%, when a 0.5% gain was expected. Personal Income for October posted a 0.4% gain, when a 0.3% gain was expected. The PCE Price Index was up 0.1% for the month and up 1.6% year-over-year. Consumer Sentiment for November came in at 98.5, when it was expected to come in at 98.1 (up from October's 97.8). Consumer Confidence for November came in at 129.5, when a lower 124.5 was expected (the prior reading was restated up to 126.2, from the originally reported 125.9). E-commerce sales for Q3 2017 came in with a 3.6% increase, after Q2 2017's 4.8% gain. The October Leading Indicator Index increased 1.2%, twice the expected 0.6% gain, as September was restated up to 0.1% from the

originally reported -0.2%. The Q3 2017 GDP came in at 3.3%, as expected, up from the prior 3.0% reading (the final reading will be released on Dec. 21, 2017). The GDP Price Index was set at 2.1%, down from the prior 2.2% reading and 2.2% estimate for this quarter. Corporate Profits for Q3 2017 came in up 10.0% year-over-year.

In housing, the Housing Market Index for November came in at 70, up from October's 68, when it was expected to decline to 67. Housing Starts for October came in at 1.29 million units annualized, when 1.19 million was expected, and Permits came in at an annualized 1.3 million units, when 1.25 million was expected. Existing Homes Sales for October came in up 2.0% (to an annualized 5.48 million units); the year-over-year rate was in the red, at -0.9%. The median house price was up 0.2% (to USD 247,000), as the year-over-year gain was 5.5%. New Home Sales for October came in at an annual rate of 685,000 units, when 620,000 were expected. Pending Home Sales for October posted a 3.5% gain, when the estimate was for a much lower level: up 1.0%. Pending Home Sales also increased 3.5%. The FHFA House Price Index for September increased 0.3%, and the year-over-year rate was up 6.3%. The S&P CoreLogic Case-Shiller Home Price Index for September increased 0.4%; the year-over-year gain was 6.2%.

In employment, the ADP Private Employment Report posted a net gain of 235,000 new jobs for October, when 210,000 were expected, as September was restated down to 110,000 from the originally reported 135,000. The October Employment Report showed a net gain of 261,000 new jobs, when the Street expected a much higher 325,000, as last month's disappointing 33,000 decline (attributed to the hurricanes) was restated up to an 18,000 gain. The unemployment rate declined to 4.2% from 4.1%, the lowest since December 2000, as the participation rate declined to 62.7% from last month's 63.1%. Average hourly wages were flat for the month (at USD 26.53, down from September's USD 26.54); the year-over-year gain was 2.4% (it was 2.9% in September). The Average Work Week was unchanged at 34.4 hours. The JOLTS September Report posted 6.093 million current openings (waiting to be filled), a tick up from last August's 6.082 million.

In M&A, home construction issue Lennar (LEN) said it would purchase CalAtlantic Group (CAA) via an exchange of USD 5.7 billion of shares in a deal valued at USD 9.3 billion (including debt). Brookfield Property Partners LP offered USD 14.5 billion for the 66% of shares of GGP (GGP) it does not already own. A report said toy and game maker Hasbro (HAS) was in talks with competitor Mattel (MAT), with Mattel saying it is being "undervalued." Chip and telecommunications equipment maker Qualcomm (QCOM) rejected Broadcom's (AVGO) cash and stock USD 105 billion offer, saying it "significantly undervalues" the company. Reports of potential buyers for some of 21st Century Fox's (FOX) entertainment assets appeared, after Walt Disney's (DIS) talks with Fox fell apart. Publisher Meredith (MDP) finally struck a deal with magazine publisher Time Inc. (TIME) for USD 1.85 billion. Privately held fast food issue Arby's Restaurant Group said it would purchase competitor Buffalo Wild Wings (BWLD) for USD 2.9 billion. The U.S. Department of Justice filed a suit against the proposed deal between AT&T (T) and Time Warner (TWX), reportedly seeking the sale of CNN (and potentially others), with AT&T saying it would fight the suit. A battle would be public and have political overtures. In non-M&A, the long (on-again, off-again) merger talks of telecommunication services issues Sprint (S) and T-Mobile (TMUS) were called off, as SoftBank, which owns 82% of Sprint, said it would increase its holding after the talks were terminated. Manufacturer, software, and services issue Emerson Electric (EMR) terminated its increased USD 29 billion (prior was USD 27 billion) offer for software solutions issue Rockwell Automotive (ROK) after Rockwell rejected it.

With 98% of the third quarter reported, the quarter—while not officially over—is being declared a success. Overall, both Operating and As Reported (GAAP) earnings set new records and helped support the market. The P/E levels, however, remained historically high, as earnings gains were generally matched by equity price gains. The question now being asked by some was: is the 20-something P/E now the norm? In review of the third quarter, 360 issues of the 497 with full compatible data beat earnings estimates, a 72.4% beat rate (historically, it is 67%). Information technology stands out, as 89.6% of the issues beat estimates (high enough to question the underlying estimates), and the sector was up 8.68% since the close of September 2017 and up 36.96% YTD (the best sector in the index). Telecommunication services was also noted, as only one-half of its issues beat estimates, and the sector declined 4.05% from the end of September 2017 and was off 11.79% YTD (the worst-performing group).

On the sales front, 331 of 495 issues beat estimates in Q3 2017, an unusually high 66.9% beat rate. Even more positive than the beat rate was the 6.0% year-over-year sales gain, giving hope that spending has opened up, as initial reports for the holiday season point to higher consumer spending. Going forward, Q4 2017 estimates have held their ground, declining a minor 1.6% from the end of September, projecting another new record for Q4, as well as a record level for 2017. At this point, information technology again appears to be the sector to watch, as it is expected to contribute the most to earnings; the estimates point to a 27.4% year-over-year Q4 2017 gain to a new record level. As for 2018, the end of the year and into January is typically when expectations change the most, as analysts do their year-end evaluations and update their target prices. Given the uncertainty of income tax reform (at this point, bottom-up estimates do appear to have incorporated any benefits; top-down have speculated with broad assumptions), analysts may try to hold off until after the Congress recess (tentatively the House recess begins on Dec. 14, 2017, and the Senate on Dec. 15, 2017).

On an issue level, Apple (AAPL) became the first publicly traded issue in the world to pass USD 900 billion in market value (index trivia: Apple accounts for 3.60% of the S&P 500's full market value; International Business Machines was 6.37% in 1985; Microsoft was 4.92% at the end of 1999). Infrastructure and technology issue General Electric (GE), off 42.1% YTD, cut its dividend in half in an effort to cut costs as it reshapes itself; the USD 4.1 billion cut was the eighth-largest dividend cut in S&P 500 history, with GE holding the top cut of USD 8.9 billion in 2009. Wal-Mart reported strong increases in U.S. sales, helped by e-commerce; the issue was up 40.7% YTD. Shoe retailer Foot Locker (FL) beat estimates as it rebounded 42.4% for the month, but it remained down 39.6% YTD. Privately held car service issue Uber (which is eventually expected to do an IPO) reported that it had been hacked over one year ago, exposing the data of 57 million users (and drivers), and failed to report it, paying USD 100,000 to two hackers.

Also of note, Bitcoin (BTCUSD) reached USD 11,365, closing the month at USD 9,615; it closed 2016 at USD 968. Alibaba's (BABA) Singles' Day sales (on Nov. 11, 2017) posted USD 25.4 billion in sales. S&P Global Ratings said Venezuela was in default on its debt after it failed to make a USD interest payment within the 30-day grace period; it downgraded the country's rating to "selective default." S&P Global Ratings also downgraded South Africa to 'BB+' from 'BBB'. The day after Thanksgiving (when the U.S. market closed early), the S&P 500 intraday high/low spread was 0.1457% (historical average is 1.4329% per day)—the lowest spread since 1962, which asks the question: which is worse, a day trader looking for volatility or a commission-based broker? Also on that day, VIX<sup>®</sup> traded at a new all-time low (since 1990), at 8.56. The Bank of England said UK banks would be able to survive a "disorderly" Brexit. EU and UK negotiators were close to reaching a preliminary agreement for Brexit

(which needs to be approved) for liabilities of up to USD 133 billion, as the UK said it expects to pay half of that, spread over years.

Oil broke out of its trading range, setting a two-year high at USD 50.05 and closing at USD 57.35, as it remained 45% lower than its USD 105 level from June 2014. Expectations of lower supply (or at least controlled supply) grew, but fell back at month's end. Month-over-month, interest rates ticked up in November, as the U.S. Fed saw dramatic change. The 10-year U.S. Treasury Bond closed at 2.42%, up from last month's 2.38%, and it traded a tick higher than year-end 2016's 2.45% during the month. The 30-year U.S. Treasury Bond closed at 2.84%, down from last month's 2.87% (3.07% at year-end 2016). The euro closed at 1.1909, up from last month's 1.1651 (1.0520 at year-end 2016); the British pound closed at 1.3531, up from last month's 1.3385 (1.2345); the yen closed at 112.57 from last month's 113.70 (117.00; reverse reference, which is usually used); and the yuan closed at 6.6124, down from last month's 6.6355 (6.9448). Gold closed at USD 1,277.7, up from last month's USD 1,271.80 (year-end 2016 USD 1,152.00). Oil moved up, as it broke its out of its trading range, setting a two-year high, to close the month at USD 57.35, up from last month's USD 54.44 (USD 53.89). U.S. gasoline pump prices (all grades) increased, closing the month at USD 2.562, up from last month's USD 2.526 per gallon (USD 2.364). VIX, "the fear factor," closed the month at 11.30, up from last month's 10.18 close (14.04 at year-end 2016; 23 before the U.S. Nov. 8, 2016, election); it traded as high as 14.51 and as low as 8.56—a new low from the start of the series in 1990.

November set a monthly dividend record for both per-share (USD 6.53) and aggregate (USD 55.9 billion) cash payments. The month posted a 9.40% actual cash payment gain over November 2016, after October's double-digit 10.33% year-over-year gain, as the YTD gain was 7.69%. The average dividend increase for November was 10.20%, down from October's 11.01% and 8.78% in September. The YTD average decreased to 11.49% from October's 11.64% and was down from September's 11.73% YTD. For the remainder of the year, 2017 continues to be expected to beat 2016 and set a new payment record, with an expected growth rate in the mid-6% area (General Electric's dividend decrease should hit in December), up from 2016's 5.44% gain. At this point, as income tax reform and repatriation play out in Washington, the actual 2017 dividend payments are not expected to see an impact, with 2018 potentially benefiting from tax reform. For 2018, we will need to see if any legislation is passed, and then see the details. However, even absent any legislation, 2018 cash dividend payments, based on the current issue level declaration (without factoring in any additional increases, and 307 issues increased their dividend rate YTD for a total 334 times), are expected to surpass 2017 and set another record payment year.

## INDEX REVIEW

### S&P 500

For November 2017, the S&P 500 posted a 2.81% gain (3.07% with dividends), posting its eighth consecutive monthly gain (12 of 13 from November 2016; March 2017 was down 0.04% but up 0.12% with dividends). The market set 7 new highs in November (11 last month and 9 the month before that); the three-month gain was 7.12% (7.65%), the YTD gain was 18.26% (20.49%), and the one-year return was 20.41% (22.87%). Since the Nov. 8, 2016, election, the S&P 500 was up 23.74% (26.49% with dividends) and set 65 new closing highs (57 YTD 2017, 18 in 2016, 10 in 2015, and 52 in 2014).

In sectors, all 11 sectors gained for the month, compared with 7 last month (and 8 the month before that). Telecommunication services again did the best, as it rebounded 5.90% for the month but remained off 11.10% YTD and was still the worst sector in the index. The rebound appeared to have two legs—first, some bottom-fishing, and second, the high relative yield (which is a product of the low prices). Information technology added 0.93% after last month's 7.67% bonanza and was up 36.96% YTD, the best of any sector. Consumer groups did well, as consumer discretionary was up 4.90% and up 18.52% YTD, while consumer staples was up 5.40% and up 18.52% YTD. On the down side, materials was the worst sector, as it posted a 0.73% gain and was up 19.31% YTD.

Breadth was strongly positive, as retail earnings came in better than expected (along with most issues for the Q3 2017 reporting period), and the index hit seven new intraday highs and closed on one of them. For the month, 385 issues gained (an average of 6.19% each), up from last month's 318 gainers (334 the prior month), with 65 of them up at least 10% (24 last month), as 119 were down (an average decline of 5.57%), down from October's 186 (170 in the prior month), with 10 of them down at least 10% (32 last month). For the three-month period, 394 issues gained (an average of 12.12% each), with 217 up at least 10% (average 17.77%), as 111 declined (an average decline of 8.96%), with 39 down at least 10% (average loss of 18.30%). Year-to-date, breadth remained strongly positive, as 371 issues were up (average 28.37%), with 175 of them up at least 25%, and 131 issues were down (average loss of 14.73%), with 27 of them down at least 25%.

### **The Dow®**

The Dow Jones Industrial Average again did the best of any of the headline indices this month, as it posted 9 new closing highs for the month, after posting 12 in October. The Dow posted 63 new closing highs YTD and 80 from the U.S. Nov. 8, 2016 election. The result is that the price-weighted Dow (which consists of many of the largest issues) beat the market-cap-weighted S&P 500 for the one-month period (3.83% versus 2.81%), three-month period (10.59% versus 7.12%), YTD (22.82% versus 18.26%), and one-year period (26.92% versus 20.41%)—and that is before adding in The Dow's higher dividend yield (2.87% versus 1.87%).

For the month, The Dow crossed and closed above 24,000 for the first time (just as it had crossed and closed above 23,000 in October for the first time) to close at 24,272.35, up 3.83% (4.24% with dividends) from October's 23,377.24 level when it gained 4.34% (up 2.08% in September). The recent performance numbers were equally pleasing, as the three-month gain was 10.59% (11.22%) and the YTD return was 22.82% (25.69%), with the one-year period up 26.92% (30.02%). The recent run-up, however, has not yet caught up with the longer-term returns, as the five-year-return was 86.34% (111.00%)—the lowest of the four core indices.

The Dow posted broad gains for the month, as earnings finished up well, and income tax reform was seen as benefiting the most. Retailers did well; Wal-Mart did the best for the month, up 11.36%, as e-commerce sales picked up. The issue was up 40.67% YTD. Athletic apparel issue NIKE (NKE) was next, up 9.87% (and up 18.87% YTD), as home improvement store Home Depot was up 8.47% for the month (and up 34.11% YTD), and Walt Disney (DIS) added 7.17% and turned positive YTD, up 0.58%. Apple held its gains, adding 1.66% for November and up 31.90% YTD. Health care issue UnitedHealth Group (UNH) continued up, adding 8.54% for the month and up 42.57% YTD, as airline issue Boeing (BA) gained 7.30% for the month, and it was up 77.80% YTD and up 94.66% from the U.S. November 2016 election. General Electric fell another 9.28% in November, as it cut its dividend in half (a USD 4.2 billion decrease), after declining 16.63% in October; the issue was down 42.12% YTD (the worst Dow



issue). However, due to The Dow's price weighting, GE only took the index down 13 points for the month and 89 points YTD. By comparison, manufacturer 3M (MMM), which was up 5.63% in November, added 89 points to The Dow, thereby negating GE's YTD impact.

For the month, 23 issues gained, an average of 4.73% each (23 also gained last month), as 7 declined, an average loss of 1.63% each (7 declined in October), while 27 were up YTD (average 26.97%; 23 were up last month), with 5 down (average 13.57% decline; 7 were down last month). More telling was that 21 issues were up at least 10%, while one was down at least that amount (General Electric, off 42.1%).

### **S&P MidCap 400**

The S&P MidCap 400 posted a 3.49% gain, after last month's 2.18% gain and September's 3.76% gain, leaving the index up 9.72% for the three-month period and up 14.37% YTD—holding a solid middle position among the headline indices.

Of the 11 sectors, 10 posted gains, as 8 did so in the past 2 months. The lone sector decliner was telecommunication services, which declined 11.51% for the month, as the large-cap equivalent was up 5.90% for the same period (and it was the best-performing sector in the large-cap index). The sector was down 44.69% YTD, more than double energy's decline, which added 6.38% for November but remained down 22.14% YTD. Consumer groups did well, as consumer discretionary added 6.41%, the best sector in the index for the month, and was up 16.45% YTD; consumer staples added 4.32% and broke into the black YTD, up 0.45%. Real estate posted a slightly sub-par 2.85% gain, as it remained in the red YTD, off 0.19%.

Breadth was positive, as 287 issues gained an average of 6.82% each, up from last month's 235 issues, as 110 issues declined an average of 5.92% each, down from 165 decliners in October.

Overall moves of at least 10% increased, as 55 gained at least 10% (an average 16.19% each), from 40 last month (but down from 83 in the prior month), and 19 declined at least 10% (an average loss of 20.13%), down from 27 in October. Year-to-date, positive breadth gained, as 260 issues were up (238 were up in October), and 135 issues declined (158 were down last month).

### **S&P SmallCap 600**

The S&P SmallCap 600 continued to be volatile, posting a 3.39% November gain after returning 0.89% in October, 7.56% in September, and declining 2.69% in August. For the three-month period, the small-cap index posted a 12.20% gain, best of the four core indices, as the YTD return was up 12.54%, the worst of the four indices. Over the longer five-year period, small caps had the best return, up 104.03%, as well as over the 10-year period, with 136.46%.

Of the 11 sectors, 10 gained, up from 7 last month and 9 in September. In a stark contrast to the S&P MidCap 400, small-cap telecommunication services, which did the best last month (up 4.14%), was flat, as the mid-cap sector was down 11.51%; the small-cap sector was up 4.14% YTD, while the mid-cap sector was down 44.69% YTD and S&P 500 sector was down 11.10% YTD. Information technology was the lone decliner, off 3.12%, as it was up 12.77% YTD, which is significantly less than the mid-cap sector's 26.12% YTD performance and the S&P 500 sector's 36.95% gain. Materials issues also differentiated themselves for the month, adding 2.55%, as the mid-cap sector added 0.78% and the

S&P 500 sector gained 0.74%. Year-to-date, however, small-cap materials trailed the other two, up 9.10%, compared to 17.35% and 19.31%, respectively.

For the month, positive breadth improved significantly, as 417 issues gained, an average of 8.96% each, up from last month's 314 issues (September had 506 gainers). On the down side, 182 issues declined, off an average of 8.43% each, up from last month's 285 (and September's 93 issues). Major gains of at least 10% were posted by 132 issues, with an average gain of 19.06%, up from 86 issues last month. Major decliners of at least 10% decreased to 63 issues (off an average of 17.70%), from last month's 77. Extreme movements had 22 issues up at least 25% (5 last month), with 8 down at least 25% (versus 10 last month). Year-to-date, breadth was positive and moved up, as 355 were up (331 last month) and 243 were down (269 last month), while 179 issues were up at least 25% and 82 were down at least 25%.

### **S&P Global BMI**

It was another winning month for global markets, as they posted their 13th consecutive month of gains (a record)—with the last global decline being a 1.99% drop in October 2016. Developed markets did well, as emerging declined at month's end but managed to post a minor gain.

For November, global markets added 1.82% after posting a broad 1.97% in both October and September (August was up 0.17%—the lowest monthly return of the year). Of the 47 markets, 28 posted gains, down from 30 last month and 31 in September. The U.S. posted a strong 2.79% gain after last month's 2.07% advance, as the global ex-U.S. gain for November was 0.82%. For the three-month period, global markets gained 5.86% and the U.S. posted a 7.33% gain, leaving globals up 4.38% ex-the U.S. Year-to-date, however, the earlier sub-par returns from the U.S. became evident, as global markets were up 19.96% and absent the U.S.'s 17.87% return (still nothing to complain about, although some will), they were up 22.21%. From the U.S. election (Nov. 8, 2016), non-U.S. global markets have outperformed the U.S. gain, returning 22.66%, as the U.S. posted 24.31%. While the variance is small, the U.S. outperformed from the election to year-end 2016, accounting for 89% of the global gain, as its YTD contribution declined to 45%, contributing 50% of the global gains since the election. Over the longer term, the U.S. still dominates the gains; the global three-year return was 20.15%, but absent the U.S.'s 27.84%, the three-year return was 12.61%.

Sectors continued to vary greatly, as all 11 sectors posted gains, up from 9 last month and 7 in September. Materials did the worst, as the sector posted a 0.49% gain and was up 21.93% YTD. Consumer staples did the best, adding 3.23% for the month, and the sector was up 13.60% YTD. Consumer discretionary was up 3.17% and up 20.59% YTD. Information technology added 0.84% for November and remained the best sector YTD, posting a 39.39% gain.

Emerging markets continued to be volatile, underperforming the general market and posting a minor 0.22% gain, after adding 2.53% for October and declining 0.73% in September; 11 of the 22 markets gained, down from 15 in October and 11 in September. For the three-month period, emerging markets added 2.00% and their YTD gain was 27.47%, leaving their one-year gain at 27.60%. Over the two-year period, they increased 35.33%, as the three-year return was up 10.46%. South Africa did the best, up 8.05% for the month, as it was up 19.15% YTD. Colombia was next, adding 2.52% for the month, but up a sub-par 5.69% YTD and off 29.59% over the three-year period. Malaysia was the third-best, up 2.23% for the month, up 18.86% YTD, and up 20.56% over three-year period. Chile did the worst, off 12.05%, but the country was up 21.35% YTD. Turkey fell 7.80% and was up 17.12%

YTD, but it was down 32.07% over three-year period. Qatar was down 6.16% in November and down 25.75% YTD (off 41.74% over three-year period).

Developed markets did much better, posting a 2.00% November gain (up 0.98% ex-the U.S.) after October's 1.90% gain and September's broad 2.29% gain. For the month, 16 of the 25 markets were up, up from last month's 15 but down from September's 20. Overall, developed markets were up 6.32% for the three-month period (5.03% ex-the U.S.), up 19.18% YTD (20.93%), and up 23.67% from the Nov. 8, 2016, election (22.78% ex-the U.S.). Luxembourg did the best, adding 3.11% and up 14.98% YTD. Japan was next, adding 3.02% for the month and up 22.31% YTD, followed by the U.S., which added 2.79% and was up 17.87% YTD. Of note, the UK was down 0.21% as Brexit talks continued, but it was up 13.67% YTD. Germany posted a 1.16% gain and was up 27.77% YTD.

## PERFORMANCE RECAP

Exhibit 2: Monthly Returns							
S&P 500	PRICE	1-MONTH (%)	YTD (%)	1-YEAR (%)	3-YEAR (%)	5-YEAR (%)	FR 12/99 (%)
Energy	509.28	1.23	-8.16	-6.50	-12.88	-3.95	139.41
Materials	372.44	0.74	19.31	19.16	20.91	61.26	132.83
Industrials	626.69	3.54	16.47	16.84	28.39	94.93	129.24
Consumer Discretionary	767.82	4.90	18.52	18.39	35.07	104.67	156.53
Consumer Staples	576.07	5.40	8.33	11.47	13.73	55.62	176.89
Health Care	963.64	2.70	20.92	21.65	19.91	107.36	194.89
Financials	455.61	3.28	17.87	22.30	38.91	115.32	41.62
Information Technology	1106.52	0.93	36.95	39.03	57.13	138.27	37.04
Telecommunication Services	157.01	5.90	-11.10	-3.90	-3.44	6.34	-51.36
Utilities	285.52	2.21	15.67	21.04	22.74	60.32	100.46
Real Estate	205.91	2.67	8.24	12.35	10.07	40.70	-
S&P 500	2647.58	2.81	18.26	20.41	28.05	86.95	80.20
DOW JONES INDUSTRIAL AVERAGE	PRICE	1-MONTH (%)	YTD (%)	1-YEAR (%)	3-YEAR (%)	5-YEAR (%)	FR 12/99 (%)
Dow Jones Industrial Average	24272.35	3.83	22.82	26.92	36.15	86.34	111.12
S&P MIDCAP 400	PRICE	1-MONTH (%)	YTD (%)	1-YEAR (%)	3-YEAR (%)	5-YEAR (%)	FR 12/99 (%)
Energy	395.09	6.38	-22.14	-23.35	-42.67	-40.18	125.17
Materials	502.41	0.78	17.35	15.99	35.01	79.26	352.75
Industrials	1010.29	3.77	20.47	21.96	45.12	116.81	467.52
Consumer Discretionary	786.21	6.41	16.45	15.68	14.89	75.32	295.25
Consumer Staples	1698.15	4.32	0.45	3.65	9.07	98.48	874.74
Health Care	1607.57	1.61	22.98	27.68	49.59	162.61	808.67
Financials	1018.28	4.74	12.78	17.31	48.05	101.73	207.78
Information Technology	2345.05	1.95	26.12	29.10	53.39	115.67	178.30
Telecommunication Services	144.88	-11.51	-44.69	-40.70	-47.51	-24.32	-69.38
Utilities	558.28	3.05	14.30	18.38	33.19	81.59	303.04
Real Estate	228.75	2.85	-0.19	3.56	-	-	-
S&P MidCap 400	1899.18	3.49	14.37	16.69	31.65	89.89	327.10
S&P SMALLCAP 600	PRICE	1-MONTH (%)	YTD (%)	1-YEAR (%)	3-YEAR (%)	5-YEAR (%)	FR 12/99 (%)
Energy	532.82	2.51	-30.45	-27.90	-51.56	-55.20	242.87
Materials	529.96	2.55	9.10	11.04	25.49	72.39	284.42
Industrials	1065.42	4.27	16.86	18.24	44.74	110.95	432.87
Consumer Discretionary	548.33	7.42	13.49	15.97	18.99	84.33	304.58
Consumer Staples	1784.73	4.29	8.30	16.16	37.84	106.80	795.27
Health Care	2350.11	7.24	34.07	36.51	69.04	186.36	1198.12
Financials	1059.03	2.99	6.46	13.09	44.68	94.83	261.55
Information Technology	685.40	-3.12	12.77	16.05	61.89	167.41	150.63
Telecommunication Services	3.02	0.00	4.14	10.62	24.71	30.51	-95.89
Utilities	1021.90	3.51	23.29	25.73	62.34	111.75	444.43
Real Estate	207.34	1.74	3.15	9.03	-	-	-
S&P SmallCap 600	942.94	3.39	12.53	16.12	39.32	104.03	376.74

Source: S&P Dow Jones Indices LLC. Data as of Nov. 30, 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	3.07	20.49	22.87	36.42	107.73	121.99
S&P MidCap 400	3.68	15.99	18.53	38.13	105.15	157.51
S&P SmallCap 600	3.52	13.83	17.66	45.25	118.01	168.94
S&P Composite 1500	3.12	19.94	22.64	36.84	107.90	126.28
Dow Jones Industrial Average	4.24	25.69	30.02	46.90	111.00	136.69

Source: S&P Dow Jones Indices LLC. Data as of Nov. 30, 2017. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

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

BMI MEMBER	1-MONTH (%)	3-MONTH (%)	YTD (%)	1-YEAR (%)	2-YEAR (%)	3-YEAR (%)
Global	1.82	5.86	19.96	22.41	24.82	20.15
Global Ex-U.S.	0.82	4.38	22.21	25.06	22.36	12.61
Emerging	0.22	2.00	27.47	27.60	35.33	10.46
South Africa	8.05	2.26	19.15	25.40	25.47	-0.96
Colombia	2.52	-5.87	5.69	12.90	32.69	-29.57
Malaysia	2.23	2.96	18.86	19.36	11.44	-18.37
Czech Republic	2.03	7.60	33.97	38.08	24.20	0.84
Russia	1.65	4.28	2.33	14.07	37.34	16.78
Egypt	1.41	6.48	18.06	24.30	0.53	-36.82
Philippines	1.13	4.80	17.42	18.20	13.93	1.08
China	0.95	5.83	42.71	37.19	38.42	30.22
Thailand	0.80	7.52	21.63	23.68	38.49	7.33
Peru	0.62	7.13	30.82	31.71	90.07	25.73
India	0.40	4.45	37.77	37.04	40.29	27.01
Mexico	-0.24	-11.33	13.97	14.12	-4.74	-21.45
Greece	-0.44	-11.50	17.46	18.58	16.78	-48.48
Indonesia	-0.78	-1.19	9.39	14.62	34.10	-3.06
Poland	-0.89	-2.27	44.95	55.99	47.50	3.65
Taiwan	-1.40	0.79	24.73	23.51	38.27	18.29
Hungary	-2.38	-2.87	29.10	39.52	74.76	98.84
Brazil	-3.37	-2.69	17.80	18.59	80.60	-5.35
U.A.E.	-5.73	-5.65	-2.50	2.46	7.12	-23.96
Qatar	-6.16	-13.28	-25.75	-20.45	-20.88	-41.74
Turkey	-7.80	-16.86	17.12	20.59	0.94	-32.07
Chile	-12.05	-6.51	21.35	20.20	43.33	9.96

Source: S&P Dow Jones Indices LLC. Data as of Nov. 30, 2017. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

<b>Exhibit 5: S&amp;P Global BMI, Developed, Sorted by November Performance</b>						
<b>BMI MEMBER</b>	<b>1-MONTH (%)</b>	<b>3-MONTH (%)</b>	<b>YTD (%)</b>	<b>1-YEAR (%)</b>	<b>2-YEAR (%)</b>	<b>3-YEAR (%)</b>
Developed	2.00	6.32	19.18	21.86	23.77	21.19
Developed Ex-U.S.	0.98	5.03	20.93	24.43	19.42	13.06
Luxembourg	3.11	-0.58	14.98	15.20	30.06	-10.98
Japan	3.02	8.87	22.31	23.55	24.66	33.69
United States	2.79	7.33	17.87	19.97	27.16	27.84
Singapore	2.77	6.97	28.82	26.61	28.30	2.65
Hong Kong	2.30	3.39	25.04	17.50	21.80	10.09
Switzerland	2.19	2.45	19.31	24.33	13.36	6.13
Korea	2.03	11.21	40.60	39.82	39.87	33.16
Austria	1.70	7.37	51.01	57.06	57.45	49.05
Germany	1.16	8.40	27.77	36.53	25.72	20.16
Israel	0.79	4.19	4.74	4.42	-12.25	-10.29
Portugal	0.74	3.22	25.92	32.37	18.75	1.15
New Zealand	0.64	-1.30	12.86	10.45	29.73	17.60
Canada	0.40	3.09	9.56	11.37	24.58	-3.14
Italy	0.33	3.53	31.52	48.05	11.49	9.13
France	0.20	5.75	27.03	34.07	24.99	21.39
Australia	0.11	0.24	11.13	13.52	22.59	0.81
Ireland	0.04	4.34	20.96	25.06	13.26	38.54
Finland	-0.08	-1.33	18.17	24.34	17.27	12.80
United Kingdom	-0.21	3.95	13.67	18.01	3.46	-3.90
Spain	-0.38	-0.16	24.06	33.02	11.91	-9.57
Netherlands	-0.50	3.61	30.47	35.80	30.81	30.94
Denmark	-1.95	-0.86	29.83	36.26	14.88	29.93
Norway	-2.65	0.53	15.16	19.01	22.49	1.82
Belgium	-2.77	0.72	17.36	20.35	8.50	15.19
Sweden	-3.08	-1.13	17.55	23.13	14.48	9.54

Source: S&P Dow Jones Indices LLC. Data as of Nov. 30, 2017. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

<b>Exhibit 6: Price-to-Earnings Ratios</b>				
<b>INDEX</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>ESTIMATED 2017</b>
S&P 500	14.73	22.69	24.92	21.16
S&P 500 Consumer Discretionary	16.89	22.17	23.06	22.25
S&P 500 Consumer Staples	15.96	22.18	22.74	21.25
S&P 500 Energy	12.03	-38.97	-145.93	34.36
S&P 500 Financials	13.46	16.83	19.15	16.88
S&P 500 Health Care	14.68	21.02	22.71	20.64
S&P 500 Industrials	14.76	19.49	23.15	20.98
S&P 500 Information Technology	14.19	22.20	29.13	22.36
S&P 500 Materials	16.20	38.50	28.61	21.10
S&P 500 Telecommunication Services	43.21	14.02	15.92	14.15
S&P 500 Utilities	14.84	22.21	20.89	19.73
S&P 500 Real Estate	-	-	-	37.44
<b>INDEX</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>ESTIMATED 2017</b>
S&P MidCap 400	18.71	30.41	29.43	24.23
S&P 400 Consumer Discretionary	18.19	20.80	20.71	18.41
S&P 400 Consumer Staples	16.80	23.84	24.12	22.37
S&P 400 Energy	22.82	-4.95	-7.44	-76.27
S&P 400 Financials	18.61	25.05	22.72	19.64
S&P 400 Health Care	21.24	27.39	32.21	27.55
S&P 400 Industrials	15.55	21.56	25.14	22.39
S&P 400 Information Technology	23.60	40.03	39.29	27.98
S&P 400 Materials	17.93	28.08	28.10	18.89
S&P 400 Telecommunication Services	34.07	13.29	45.42	-10.41
S&P 400 Utilities	15.52	23.42	22.93	22.67
S&P 400 Real Estate	-	-	-	33.84
<b>INDEX</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>ESTIMATED 2017</b>
S&P SmallCap 600	22.04	42.43	36.83	28.50
S&P 600 Consumer Discretionary	21.45	23.16	22.97	23.18
S&P 600 Consumer Staples	18.26	20.41	23.45	28.29
S&P 600 Energy	77.57	-2.48	-4.48	-36.30
S&P 600 Financials	20.10	26.37	23.00	20.09
S&P 600 Health Care	21.59	43.30	169.44	95.84
S&P 600 Industrials	17.85	24.72	28.73	24.49
S&P 600 Information Technology	31.37	41.01	40.44	27.58
S&P 600 Materials	22.56	46.69	27.76	23.86
S&P 600 Telecommunication Services	24.20	36.50	43.14	151.00
S&P 600 Utilities	16.69	23.40	28.65	28.80
S&P 600 Real Estate	-	-	-	33.33

Source: S&P Dow Jones Indices LLC. Data as of Nov. 30, 2017. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

<b>Exhibit 7: Operating EPS Changes</b>							
<b>INDEX</b>	<b>Q4 2016 OVER Q4 2015 (%)</b>	<b>Q1 2017 OVER Q1 2016 (%)</b>	<b>Q2 2017 OVER Q2 2016</b>	<b>Q3 2017E OVER Q3 2016</b>	<b>Q4 2017E OVER Q4 2016</b>	<b>2016 OVER 2015 (%)</b>	<b>2017E OVER 2016 (%)</b>
S&P 500	20.99	20.23	18.72	9.79	22.83	5.78	17.73
S&P 500 Consumer Discretionary	1.92	4.55	1.75	3.63	4.71	9.40	3.63
S&P 500 Consumer Staples	8.83	4.90	6.67	5.30	11.03	4.15	7.03
S&P 500 Energy	105.00	243.17	233.50	328.74	987.80	74.54	524.64
S&P 500 Financials	16.50	24.86	27.84	-12.29	20.14	3.43	13.45
S&P 500 Health Care	10.97	0.29	7.68	6.27	26.26	9.61	10.01
S&P 500 Industrials	-7.62	8.33	12.32	7.20	13.59	-3.29	10.34
S&P 500 Information Technology	13.28	28.27	30.71	35.64	27.39	0.00	30.31
S&P 500 Materials	674.29	176.65	-0.41	9.92	49.08	53.54	35.56
S&P 500 Telecommunication Services	-26.59	-3.57	45.83	7.31	10.63	-18.91	12.58
S&P 500 Utilities	1400.00	2.46	14.18	-5.48	25.00	21.51	5.85
S&P 500 Real Estate	-	-	-	5.41	-30.05	-	-
<b>INDEX</b>	<b>Q4 2016 OVER Q4 2015 (%)</b>	<b>Q1 2017 OVER Q1 2016 (%)</b>	<b>Q2 2017 OVER Q2 2016</b>	<b>Q3 2017E OVER Q3 2016</b>	<b>Q4 2017E OVER Q4 2016</b>	<b>2016 OVER 2015 (%)</b>	<b>2017E OVER 2016 (%)</b>
S&P MidCap 400	54.76	34.11	20.82	-1.50	37.97	16.33	21.43
S&P 400 Consumer Discretionary	13.17	7.07	19.91	13.31	9.77	16.22	12.46
S&P 400 Consumer Staples	4.23	1.16	0.61	18.57	10.68	-1.84	7.84
S&P 400 Energy	66.05	101.77	116.18	-138.67	99.38	46.60	90.24
S&P 400 Financials	43.21	50.32	47.46	-25.51	7.43	23.34	15.66
S&P 400 Health Care	-11.62	1.12	-33.62	37.27	74.31	-0.04	16.93
S&P 400 Industrials	-8.27	3.85	7.93	14.90	22.38	0.95	12.29
S&P 400 Information Technology	33.38	68.15	27.26	24.53	51.54	25.83	40.45
S&P 400 Materials	38.99	93.36	32.97	48.41	40.27	12.24	48.77
S&P 400 Telecommunication Services	-400.00	-450.00	-267.40	-569.86	-888.89	-84.76	-536.36
S&P 400 Utilities	55.19	14.54	0.00	1.67	-11.52	15.08	1.15
S&P 400 Real Estate	-	-	-	-37.44	-18.26	-	47.92
<b>INDEX</b>	<b>Q4 2016 OVER Q4 2015 (%)</b>	<b>Q1 2017 OVER Q1 2016 (%)</b>	<b>Q2 2017 OVER Q2 2016</b>	<b>Q3 2017E OVER Q3 2016</b>	<b>Q4 2017E OVER Q4 2016</b>	<b>2016 OVER 2015 (%)</b>	<b>2017E OVER 2016 (%)</b>
S&P SmallCap 600	37.74	34.14	15.96	11.20	58.82	30.21	29.26
S&P 600 Consumer Discretionary	48.74	-19.44	-6.72	-3.46	20.06	17.47	-0.88
S&P 600 Consumer Staples	-34.26	-40.92	8.32	-35.30	8.86	-1.26	-17.10
S&P 600 Energy	77.89	85.61	95.50	64.45	102.25	61.30	87.66
S&P 600 Financials	24.71	40.02	12.00	-2.13	12.58	24.70	14.49
S&P 600 Health Care	-116.95	-119.35	-101.70	889.58	983.96	-65.95	76.78
S&P 600 Industrials	-23.24	21.23	-5.23	11.28	58.81	0.41	17.28
S&P 600 Information Technology	27.97	92.43	39.13	20.04	55.37	11.51	46.61
S&P 600 Materials	421.43	84.11	17.57	-16.88	19.18	85.16	16.34
S&P 600 Telecommunication Services	0.00	-150.00	-50.00	-50.00	0.00	-12.50	-71.43
S&P 600 Utilities	-20.45	0.51	58.27	-32.44	-2.73	1.54	-0.53
S&P 600 Real Estate	-	-	-	-2.86	-5.23	-	112.29

Source: S&P Dow Jones Indices LLC. Data as of Nov. 30, 2017. 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)**

<b>S&amp;P 500</b>						
<b>TYPE</b>	<b>NOVEMBER 2017</b>	<b>AVERAGE % CHANGE</b>	<b>3-MONTH</b>	<b>AVERAGE % CHANGE</b>	<b>YTD</b>	<b>AVERAGE % CHANGE</b>
Up	385	6.19	394	12.12	371	28.37
Down	119	-4.51	111	-8.92	131	-14.73
Up >= 10%	65	15.51	217	17.77	302	33.65
Down <= -10%	10	-16.11	39	-18.30	70	-23.28
Up >= 25%	6	31.01	25	33.48	175	45.28
Down <= -25%	1	-25.05	8	-29.69	27	-35.88
Up >= 50%	0	0.00	1	54.80	49	69.44
Down <= -50%	0	0.00	0	0.00	2	-53.43
<b>S&amp;P MIDCAP 400</b>						
<b>TYPE</b>	<b>NOVEMBER 2017</b>	<b>AVERAGE % CHANGE</b>	<b>3-MONTH</b>	<b>AVERAGE % CHANGE</b>	<b>YTD</b>	<b>AVERAGE % CHANGE</b>
Up	287	6.82	314	14.99	260	27.92
Down	110	-6.07	85	-11.31	135	-17.68
Up >= 10%	55	16.19	192	20.99	204	34.43
Down <= -10%	19	-20.13	39	-19.38	76	-28.02
Up >= 25%	4	28.47	50	34.59	116	47.91
Down <= -25%	7	-30.62	8	-34.53	39	-39.32
Up >= 50%	0	0.00	4	54.95	39	71.73
Down <= -50%	0	0.00	0	0.00	5	-63.75
<b>S&amp;P SMALLCAP 600</b>						
<b>TYPE</b>	<b>NOVEMBER 2017</b>	<b>AVERAGE % CHANGE</b>	<b>3-MONTH</b>	<b>AVERAGE % CHANGE</b>	<b>YTD</b>	<b>AVERAGE % CHANGE</b>
Up	417	8.96	465	20.36	355	36.62
Down	182	-8.43	135	-11.66	243	-21.60
Up >= 10%	132	19.05	337	26.21	279	45.17
Down <= -10%	63	-17.70	53	-22.09	158	-30.72
Up >= 25%	22	41.22	128	41.26	179	61.13
Down <= -25%	8	-33.32	16	-35.07	82	-43.73
Up >= 50%	4	73.64	24	74.59	71	99.50
Down <= -50%	0	0.00	0	0.00	26	-62.67
<b>DOW JONES INDUSTRIAL AVERAGE</b>						
<b>TYPE</b>	<b>NOVEMBER 2017</b>	<b>AVERAGE % CHANGE</b>	<b>3-MONTH</b>	<b>AVERAGE % CHANGE</b>	<b>YTD</b>	<b>AVERAGE % CHANGE</b>
Up	23	4.73	27	11.69	25	26.97
Down	7	-1.69	3	-13.81	5	-13.57
Up >= 10%	1	11.36	15	16.41	21	31.53
Down <= -10%	0	0.00	2	-19.48	1	-42.12
Up >= 25%	0	0.00	1	27.86	12	42.55
Down <= -25%	0	0.00	1	-25.50	1	-42.12
Up >= 50%	0	0.00	0	0.00	2	65.00
Down <= -50%	0	0.00	0	0.00	0	0.00

Source: S&P Dow Jones Indices LLC. Data as of Nov. 30, 2017. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

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