U.S. Equities May 2018

KEY HIGHLIGHTS

- The S&P 500® was up 2.16% in May, bringing the YTD return to 1.18%.
- The Dow Jones Industrial Average® was up 1.05% for the month and was down 1.23% YTD.
- The S&P MidCap 400® was up 3.95% for the month and up 2.41% YTD.
- The S&P SmallCap 600® was up 6.34% in May and up 7.61% YTD.

Exhibit 1: Index Returns

INDEX	1-MONTH (%)	3-MONTH	YTD (%)	1-YEAR (%)
S&P 500	2.16	-0.32	1.18	12.17
Dow Jones Industrial Average	1.05	-2.45	-1.23	16.22
S&P MidCap 400	3.95	4.39	2.41	13.05
S&P SmallCap 600	6.34	9.36	7.61	21.07

Source: S&P Dow Jones Indices LLC. Data as of May 31, 2018. Past performance is no guarantee of future results. Table is provided for illustrative purposes. Returns shown are price returns.

MARKET SNAPSHOT

The summit in Singapore may or may not be on, and the S&P 500 may not have reached a new summit—at least not yet (5.83% off its Jan. 26, 2018, all-time closing high and 4.82% above its recent Feb. 8, 2018, low), but there was a meeting of the trades on the Street, resulting in more issue-related trading than overall headline-inspired movements. While the rising tide lifting all boats is nice (May produced a 2.16% lift but differentiated in the boat lifting, as information technology was up 7.13% and telecommunications services was down 2.28%), the range-based consolidation seen over the last three months appears to have settled down to issue levels (it typically starts as higher-level sector and industry reallocations and moves down). The result (and hope), therefore, is that portfolios for longer-term investors have settled down, with only the normal (and continuing) fine-tuning and short-term reactions to short-term events. If that is so, the result should be a stronger base, which could move up on positive fundamentals (such as continued higher earnings or higher tax-inspired consumer spending) and act as a buffer if difficulties emerge. From a fundamental view, the market continues to be concerned over current P/Es, over 20 for both Operating and As Reported based on March's 12-month EPS, but at this point the market is content to pay ahead, with the year-end 2018 levels at 17-18 and 2019 at the 15-16 level. However, if earnings do not continue to grow nicely, the pay ahead may need to be adjusted to stock-down prices of more acceptable P/Es.

Contributor:

Howard Silverblatt, Index Investment Strategy, Senior Industry Analyst, howard.silverblatt@spglobal.com

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

With 97% of Q1 2018 earnings reported and being declared a success, the attention has started to turn toward Q2 2018, where the Street is again looking for record earnings. At this point, Q2 2018 is expected to post a 5.9% gain over the record Q1 2018 and a 26.3% gain over Q2 2017. For 2018, estimates have held strong, with (also) a 26.3% gain expected over 2017, with 2019 (at this point) showing an expected gain of 10.9% over 2018. As for the Q1 2018 status, 493 issues have reported their Q1 2018 results, with 376 beating estimates (76.3%), 88 missing, and 29 meeting. Of the 490 reporting full sales data, 368 (75.1%) issues have beaten estimates. Attention is now on Q2 2018, which has not changed during the Q2 period (up 0.08%), with the YTD expectation up 7.1%.

The May 2018 cash dividend payment of USD 6.55 per share (USD 55.8 billion) set a monthly record, replacing the November 2017 USD 6.53 record. The first five months of 2018 saw 197 issues increase their dividends, with only one decreasing. The lone decliner, Wyndham Worldwide, was spinning off a division (both to be added to the S&P MidCap 400), with the declared dividend rate for the two issues the same as the pre-spinoff rate (but a technical cut's a cut). The 197-1 ratio (or winked 191-0) is unusual, with no recent comparisons (in my data, which starts in 2003). For May, the actual year-over-year cash payment increased 10.95% from the May 2017 payment (receiving USD 190.1 billion for the five-month period, compared with USD 175.2 billion for the prior year's period); April's payment was up 6.98% and March's was up 11.15%, with the trailing 12-month May payment up 9.37% (trailing 12-month in April was 7.49%). For May, the median dividend increase was 12.00% (excluding issues that have at least doubled), compared with 9.52% in April and 8.78% in March, as the YTD median was 10.71%. The average increase was 12.64% (up from last month's 13.53%). Year-to-date, the average increase was 13.67% (April was 13.84%), up from 2017's 11.36%. At this point, based solely on the declared dividend rates and policies, 2018 has an 8.4% increase baked into its payments over 2017, which would be another record year. Given the environment, availability of cash, increased income expectations, and the "desire" of companies to show shareholder return, the return to a double-digit actual cash payment gain (year-over-year) seems feasible.

Oil continued to move higher for most of the month, as Trump withdrew from the 2015 Iran nuclear deal, permitting sanctions to go back into effect after a 90-to-180-day wind down period. If put into effect, the sanctions would negate recently signed U.S. contracts. Oil, which was already moving up, passed USD 72, but closed much lower, at USD 66.93, as increased production was expected to be announced at the upcoming OPEC Vienna meeting (June 22, 2018). Secretary of State Mike Pompeo visited North Korea, as the country freed three U.S. detainees. The meeting between Trump and Kim Jong-un was set for June 12, 2018, in Singapore, as verbal drama over commentary suggested it could be called off because of scheduled U.S. military training drills, but it appeared to get back on track. Verbiage continued, and later in the month Trump called off the North Korean summit, citing recent "anger and open hostility displayed" by North Korea, but he appeared to leave the door open for the summit. At this point, the summit is officially off, but U.S. officials have traveled to North Korea for talks on getting it back on schedule, as North Korean officials are traveling to Washington. Trump said he was working with Chinese President Xi Jinping to assist Chinese telecommunication services issue ZTE; the action comes as the U.S. and China are involved in high-level and high-stakes trade negotiations. U.S. Secretary of State Pompeo released U.S. requirements for signing a new nuclear deal with Iran after Trump pulled out of the deal earlier in the month. The U.S. Senate Banking Committee modified financial deregulations (Dodd-Frank) for small banks, but it made no changes for large banks. The Fed backed a plan to reduce risky trading regulations (Volker rule) on all banks. The U.S. Senate confirmed Trump appointee Gina Haspel as CIA director—the first female head of the CIA. In a speech on drug prices, Trump said the U.S. needed to lower prices on government-supported drug programs (Medicare Part D). The remarks, however, did not include allowing cheaper imports or permitting negotiation, pleasing the health care industry (which added 1.47% on the day of the speech).

NAFTA talks continued, as differences (especially over automobiles) remained. The general Street belief was that a compromise would eventually be found, even as Speaker of the House of Representatives Paul Ryan's deadline of May 17, 2018, came and went. NAFTA talks continued and later appeared to stall, with automobile production a key roadblock, as the U.S. "America First" provision for U.S. production was met with Mexican resistance; negotiations continued. The U.S. suspended of tariffs on Chinese imports (which had not yet been implemented), as negotiations continued. The U.S. and China agreed on an outline for the U.S. to lift the ban of U.S. companies selling products to Chinese telecommunication services issue ZTE, in exchange for the company making management changes (including the board of directors) and paying a fine. The U.S. moved forward with tariffs against China (25% on USD 50 billion of imported goods) ahead of the Commerce Secretary's planned trip to China for trade talks. Last minute negotiations continued, before U.S. tariffs on EU, Canadian, and Mexican imports (steel and aluminum) become effective on June 1, 2018, as those regions implemented their own tariffs on U.S. goods. At this point, the trade war is on again.

The 10-year U.S. Treasury Bond traded as high as 3.13% (highest since 2011), but closed the month at 2.87%, down from last month's 2.95% (2.41% for year-end 2017 and 2.45% for year-end 2016). The pound closed down, at 1.3294 from 1.3767 in April (1.3498 for year-end 2017 and 1.2345 for year-end 2016), and the euro moved down to 1.1695 from 1.2081 (1.2000, 1.0520), the yen ended the month at 108.82 from 109.29 (112.68, 117.00), and the yuan closed at 6.4104, up from last month's 6.3337 (6.5030, 6.9448). Oil increased for most of the month, trading above USD 72 (last seen in 2014), but it declined to close at USD 66.93, down 2.2% from April's USD 68.45 (USD 60.09 for year-end 2017 and USD 53.89 for year-end 2016). U.S. gasoline pump prices (all grades) increased, closing the month at USD 3.039 from last month's USD 2.961 per gallon (USD 2.589, USD 2.364). Gold was down for the month, closing at USD 1,303.00 from USD 1,316.10 for April (USD 1,305.00 for year-end 2017 and USD 1,152.00 for year-end 2016). VIX traded as low as 10.91—with the all-time (since 1990) low closing being 9.14, set in November 2017 (the high close was 80.86 from November 2008)—but it closed the month at 15.43 (trading as high as 18.78 for the month), down from last month's 16.05.

In central bank news, the FOMC met and, as expected, made no changes; many expect a 0.25% increase at the June 12-13, 2018, meeting, and some are discussing the potential for more increases in September and December 2018—not that we are getting too far ahead of ourselves. The Fed confirmed it is on course to gradually increase interest rates, saying that inflation is close to its target, and employment is already there. On the cautionary side, it noted the lack of growth in Q1 2018; the Fed's new word (and therefore ours) was "symmetric," which it used to describe inflation. The Fed Beige Book showed that it saw the economy was still growing. The release spoke of continued skilled labor market shortages, but limited upward wage pressure. The bottom line from the FOMC notes (released later in the month) was an expectation at its June 12-13, 2018, meeting to increase interest rates ("soon be appropriate"); an attribute of the notes was that it would welcome an overshoot to its 2% inflation rate. The Bank of England left rates unchanged (at 0.5%), lowering its growth forecast for 2018 to 1.4% from its 1.8% estimate (issued three months ago). At an emergency meeting, Turkey's central bank increased its late liquidity rate (lending rate) by 3.0% to 16.5%, as the Turkish lira continued to decline. The IMF started negotiations to assist (bailout) Argentina.

The U.S. opened its Israeli embassy that was relocated to Jerusalem, while over 50 protesters were killed (near the Gaza Strip) in conflicts with Israeli police and military. The U.S. said it was set to impose sanctions on European nations that had business dealings with Iran. A power sharing agreement between the Italian political parties Five Star Movement and the League emerged, as Florence University law professor Giuseppe Conte was chosen to lead Italy's government but was rejected by President Sergio Mattarella, with possibilities of new elections needing to be held. The market reaction was quick and downward, as the euro declined to under 1.16, with some recovery the next day. Venezuelan President Nicolas Madura won his second six-year term as president with 67% of the popular vote (preliminary), as opposition parties called the election illegitimate and cited polls showing their party was favored.

In global economics, the 19-country eurozone Q1 2018 growth rate came in up 0.4%, when a 0.7% gain was expected, with the year-over-year rate at 2.5%. Eurozone inflation declined in April to 1.2% from 1.3% in March. The IHS Markit's Eurozone PMI for May declined to 54.1 from April’s 55.1. UK inflation declined in April, as the year-over-year rate fell to 2.4% (from March’s 2.5%), a 13-month low.

In U.S. economics, the Manufacturing PMI for April came in at 56.5, as expected (March was 55.6), and the ISM Manufacturing Index came in at 57.3, down from March’s 59.3 and lower than the expected 58.6. The Services PMI came in at 54.6 (54.0 last month), when a 54.4 reading was expected, and the ISM Non-Manufacturing Index came in at 56.4 (58.8 last month), missing the 58.4 estimate. The PMI Flash Report for May came in at 55.7, beating the 54.8 estimate, as the manufacturing component came in as expected, at 56.6, with services coming in at 55.7, when a 54.6 level was expected. The April CPI came in up 0.2%, when a 0.3% increase was expected (March was down 0.1%), and the year-over-year gain was 2.5% (last month’s was 2.4%). The PPI for April posted a 0.1% gain, when a higher 0.3% gain was expected, and the year-over-year rate was up 2.6%. Wholesale Trade for March increased 0.3%, when a 0.5% gain was expected (February was up 0.9%). Retail Sales for April increased 0.3%, as expected. Business Inventories for March were flat from February (which were up 0.6%), when a 0.2% gain was expected. Durable Goods Orders for April came in down 1.7%, when a 1.2% decline was expected; March was up 2.7%, and the ex-transportation index was up 0.9% (when a 0.6% gain was expected). Retail Inventories for April came in up 0.6%, as March was restated down from -0.4% to -0.7%. Wholesale Inventories were flat, when a 0.3% gain was expected, as March was restated down to a 0.2% gain from the originally reported 0.5%. Total Auto Sales for April came in at an annualized 17.2 million units, as expected, down from the 17.5 million unit rate from March. Productivity for Q1 2018 increased 0.7%, when a 0.9% gain was expected, and Unit Labor Costs increased 2.7%, when a 3.0% increase was expected. Construction Spending for March posted a 1.7% decline, when a 0.5% gain was expected, and the year-over-year gain was 3.6%. Factory Orders for March came in with a 1.6% gain, when a lower 1.3% increase was expected. Industrial Production for April posted a 0.7% increase, as the prior month was restated up to a 0.7% gain from the originally reported 0.5% gain. Capacity Utilization increased to 78.0% from March’s 77.6%, but missed the 78.3% estimate. The update for Q1 2018 GDP came in at 2.2% when 2.3% was expected, as Real Consumer Spending came in at 1.0% (when 1.2% was expected). After-tax Corporate Profit posted a 0.1% year-over-year gain, up from -6.0% for the year-over-year Q4 2017 period. International Trade in Goods for April posted a USD 68.2 billion deficit, slightly up from March’s USD 68.2 billion deficit, as both exports and imports declined 0.5%. April Imports posted a 0.3% gain, when 0.5% was expected (March was flat), and the year-over-year report was up 3.3%. Meanwhile, Exports increased 0.6%, when a 0.3% gain was expected (March was up 0.3%), and the year-over-year rate was up 3.8%. Personal Income for April came in up 0.3%, as expected, as Consumer Spending came in up 0.6%, when a lower 0.4% gain was expected. The PCE was up 0.2% (as expected) for the month and up 2.0% year-over-year. Preliminary May Consumer Sentiment came in at 98.0, when a 99.0 reading was expected, down from the prior 99.0 reading (which was originally reported at 98.8). Consumer Confidence for May came in at 128.0, up from April's restated 125.6 (originally reported at 128.7), but missing the 128.6 estimate. Leading Indicators for April posted a 0.4% gain, as expected (March was up 0.3%).

The Housing Market Index for March came in at 70, when it was expected to be 69, as the prior month was restated down to 68 from the originally released 69 level. The FHFA Home Price Index for March came in up 0.1%, when a much higher 0.6% gain was expected, and the year-over-year gain was 6.7% (down from February's 7.2% rate). The S&P CoreLogic Case-Shiller Home Price Index posted a 1.0% increase for March, when a 0.5% gain was expected, as the year-over-year rate was up 6.8%. Pending Home Sales for April came in down 1.3% for the month, when a 0.4% gain was expected. Housing Starts for April came in at an annual rate of 1.287 million units, missing the 1.324 million estimate. Permits came in at 1.352 million units, a tick ahead of the 1.350 million estimate. New Homes Sales for April came in at an annual rate of 662,000 units, when 677,000 was expected (March was 672,000). Existing Home Sales for April came in at an annual rate of 5.46 million units, down from March's 5.6 million, as the year-over-year gain remained in the red, down 1.4% (from March's -1.2% rate).

The April ADP Employment Report posted 204,000 net new private jobs, when 190,000 was expected, while March was restated down to 228,000 from the originally reported 241,000 (which was still higher than the original estimate of 205,000). The Employment Report again missed estimates, as April came in at 164,000 net new jobs, missing the 191,000 estimate, while March's original miss of 103,000 new jobs, when 185,000 were estimated, was revised upward to 135,000 (which was still short of the estimate). The Unemployment Rate declined to 3.9%—the lowest level since December 2000 (it was 3.8% in April 2000 and 3.5% in December 1969)—from last month's 4.1%, when it was expected to decline to 4.0%. The Participation Rate ticked down again to 62.8% from 62.9%, when it was expected to be flat. The Average Hourly Wages increased 0.1% to USD 26.84 (last month posted a 0.3% gain), when a 0.2% gain was expected, and the year-over-year increase moved down to 2.6% from last month's 2.7%. Average Hours Worked was unchanged (as expected) at 34.5 hours. Equity market futures didn't move significantly, and interest rates ticked down. The April JOLTS Report posted a record 6.55 million jobs currently available, up from March's 6.08 million (February was 6.052 million) and easily beating the 6.1 million estimate. The ADP Report for April posted 178,000 net new private jobs, when 187,000 were expected, as March's beat of 241,000 (when 185,000 was expected) was restated downward to 163,000. In Layoffs, reports said Deutsche Bank (DB) was considering laying off as many as 10,000 workers as part of its cost-cutting initiative.

In M&A, happy days continued (with happy fees expected to follow). The fight over Twenty-First Century Fox's (FOXA) assets (studios and production) continued, as Comcast (CMCSA) was looking for financing (up to USD 60 billion) for an all-cash offer to counter Walt Disney's (DIS) offer for Fox (Comcast's prior offer was rejected). Global food issue Nestle (NSRGY) said it would buy the rights and units to sell Starbucks (SBUX) coffee (retail) for USD 7.15 billion. The deal would move 500 Starbucks employees to Nestle. International Flavors & Flagrances (IFF) said it would buy Israel-based competitor Frutarom Industries (FRUTF) for approximately USD 6.4 billion. Investing issue Elliott Management Company offered to buy health care software issue athenahealth (ATHN) for USD 160 per share, a 24% premium to its prior close. Japanese drug maker Takeda Pharmaceutical (TKPYY) finalized a deal to buy European biotechnology issue Shire PLC (SHPG) for USD 62 billion in cash and stock. Royal Dutch Shell (RDS.A) said it would sell its 8% of Canadian Natural Resource (CNQ) via a secondary offering for USD 4.3 billion and use the proceeds to reduce debt. Global telecommunication services issue Vodafone Group PLC (VOD) said it would buy Liberty Global's (LBTYA) European assets for USD 23 billion. Web-based payment services issue PayPal (PYPL) said it would buy Swedish startup issue iZettle for USD 2.2 billion. General Electric (GE) said it would merge its transportation business with railroad equipment issue Wabtec (a.k.a. Westinghouse Air Brake Technologies; WAB). Reports then said GE was continuing on its sales path, evaluating its insurance unit. General Electric "cautioned" that issues with its power unit did not have a quick fix, and that the company could not guarantee its dividend (GE pays USD 4.2 billion in dividends, and they cut USD 4.2 billion in November 2017). On June 12, 2018, a U.S. judge will rule on the AT&T (T) and Time Warner (TWX) merger. The decision is expected to set the tone for future M&A activity, as the U.S. government has challenged the deal.

In non-M&A, printer and copier company Xerox (XRX) canceled its USD 6.1 billion merger with Fujifilm (FUJIY), reaching a deal with its two biggest shareholders (Carl Icahn and Darwin Deason). Mass media issue CBS (CBS) filed a lawsuit against National Amusements to prevent it from forcing a merger with Viacom (VIAB), as well as to add additional voting rights. National Amusements controls both companies (which is controlled by the Redstones), as the first round of court battles went to National Amusement. Later in the month, Shari Redstone informed Viacom that it (National Amusement) no longer supports a merger with CBS.

On an issue level, social media issue Facebook (FB) said it would become even more social by starting a dating service. Fast food issue McDonald's (MCD) reported slower U.S. customer sales, as the industry struggles with labor shortages and continues to automate processes. Facebook CEO Mark Zuckerberg appeared before the European Parliament, as he had done before with the U.S. Congress, in regard to privacy issues, outlining the steps the company was taking and planned to take. Investment management issue ValueAct Capital said it had taken a USD 1.2 billion position in bank Citigroup (C). Coffee store and retailer Starbucks released a new policy on customer and non-customer use of their facilities, attempting to balance their business and social policies (a situation that is becoming more common and public for companies), as they closed their stores for an afternoon of training. Activist Bill Ackman (Pershing Square) reported taking a USD 1 billion (approximately 1.3%) stake in home investment store Lowe's (LOW). Social media photo issue Snapchat's parent Snap (SNAP) declined 21.5% for the month, as it missed on sales and user target numbers. Cyber security software and services issue Symantec (SYMC) declined 25.2% for the month when it disclosed that its audit committee was investigating concerns raised by a former employee, giving no details; the company also issued a revenue forecast below expectations. Investment manager Morgan Stanley (MS) said its wealth management business slowed. The Fed designated German bank Deutsche Bank's U.S. operations as being in "troubled conditions," as reports said the company was considering laying off 10,000 workers.

S&P Dow Jones Indices added medical device maker ABIOMED (ABMD) to the S&P 500 and removed Wyndham Worldwide (WYND), which was moved to the S&P MidCap 400. Wyndham Worldwide spun off Wyndham Hotels & Resorts (WH), which will also be added to the S&P MidCap 400. S&P Dow Jones Indices announced that it would add Evergy (EVRG; formerly Westar Energy [WR] in the S&P MidCap400) to the S&P 500 after the close of June 4, 2018, and remove Navient (NAVI). Private wholesale club membership issue BJ's filed for an IPO, valuing the company at USD 2.3 billion; the issue was taken private in 2011.

Of note, Russian President Putin was sworn into his fourth six-year term. California became the first state to require solar panels on (most) newly constructed homes, starting in 2020, estimating it would cost an additional USD 9,500 per home. Home mortgage rates posted a seven-year high (2011) at 4.80%, as the 30-year rate closed at 4.56%. The U.S. Supreme Court ruled that sporting event betting (gambling) was permitted, invalidating a federal law preventing it. Indexer MSCI released a list of 234 Chinese domestic A-shares that would be included in its indices on June 1, 2018 (0.4% weighting in the MSCI Emerging Market). Summer hotel reservations in Hawaii's big island are off 50% since the May 3, 2018, Kilauea volcano eruption. The New York Stock Exchange will get its first female chief operating officer in its 226-year history (Stacy Cunningham, its 67th president). A report said Cayman Island startup cybercurrency issue Block.one was on track to raise USD 4 billion via digital token financing.

June is expected to continue where May left off—with uncertainty over trade on the front page. On page two will be June 12, 2018 trifecta: the on-again, off-again summit with North Korea; the start of the two-day FOMC meeting, where the Street believes interest rates could be increased by 0.25%; and a U.S. judge is expected to rule on the AT&T and Time Warner merger that the government has filed objections to—a decision that is expected to set the tone for future M&A activity (although M&A is expected to continue regardless of the ruling). On June 22, 2018, OPEC will meet in Vienna and is expected to increase production, which the Street has partially built into oil's price. Earnings updates should start mid-month, with the first off-fiscal issues for Q2 2018 starting in the third week (the full season will start the third week of July). In the background will be the work done on Q1 2018 taxes and the impact on corporate spending, as well as the continuing analysis of what consumers are doing with the money from their lower tax rates. Historically, June posts gains 54.4% of the time, with an average gain of 3.93% for the up months and a 3.17% average decrease for the down months, with an overall average gain of 0.69%.

INDEX REVIEW

S&P 500

The S&P 500 posted a significant 2.16% gain in May (2.41% with dividends), especially since the YTD return was up 1.18% (2.02%). The index's May return added to last month's modest gain of 0.27% (0.38%), which reversed its past two months of declines—a broad 2.69% decline in March and February's worse 3.89% decline. However, the gain was mostly attributed to information technology, as the sector's 7.03% May gain accounted for 76.5% of the index's monthly gain. The sector's YTD contribution was 133.6%, meaning ex-information technology, the index would be in the red YTD). Year-to-date, the index turned positive, up 1.18% (2.02% with dividends), as it remained in its trading range: up 5.83% off its Jan. 26, 2018, closing high and up 4.82% from its low from Feb. 8, 2018. From the Nov. 8, 2016, U.S. election, the index was up 26.44% (30.49% with dividends).

May's volatility decreased, as 3 of 21 days moved at least 1% (2 up and 1 down), compared to 6 last month (3 up and 3 down). The high/low daily average continued to decline, with May at 5.69%, down from April's 6.41%, March's 8.35%, and February's 11.97%. Trading remained calm, as trends appeared to change daily, but not as much intraday; few significant (by size) programed trades appeared to affect the market.

Sector return variance continued and decreased, as positive earnings results continued in the first part of the month, and economic data continued up (although not as improved as estimated). For the month, the spread between the best (information technology) and worst (telecommunication services) sector was 9.41%, down from April's 13.81% but up from March's 7.86% (February was 11.23% and January was 12.34%).

For the month, 7 of the 11 sectors gained, up from 6 last month and 3 the month before that. Information technology easily did the best, adding 7.13%, as Apple (AAPL) added 13.5% (accounting for 21.3% of the S&P 500's May gain), Facebook was up 11.5% (accounting for 8.7% of the index's gain), and chip issue Micron Technology (MU) gained 25.3% for May. Year-to-date, information technology was up 10.60%, the best sector in the index. Energy, which added 9.29% in April, continued up, even as oil declined, adding 2.53% for the month. Exxon Mobil (XOM) added 5.5% in May, and energy was up 4.68% YTD. Consumer sectors continued to go their separate ways, as consumer discretionary added 1.87% (up 2.27% last month) and was up 7.06% YTD, while consumer staples, which declined 4.52% last month, fell another 1.79% in May, bringing its YTD loss to 13.51%, the worst of any sector. Financials posted a 1.12% decline, as interest rates fell and the FOMC was expected to increase rates three times this year (there was speculation of four), and the sector was off 2.95% YTD.

Breadth remained positive in May, but was not as high as the overall rate would imply, as 279 issues gained (an average of 5.95%), up from April's 265 issues (193 for March), and 49 issues gained at least 10% (versus 31 last month). For the month, 226 issues declined (an average fall of 4.58%), down from last month's 240 and 312 the month before that; 25 issues declined at least 10% (25 fell at least 10% last month). Year-to-date, breadth remained negative (but again improved), as 230 (220 last month and 208 in the prior month) issues gained (an average of 13.51%), with 113 (81) up at least 10%, and 36 of them up at least 25%; 275 (285) issues declined (an average of 10.28%), as 112 (115) were off at least 10% YTD, with 16 of them down at least 25%.

The Dow®

The Dow continued to underperform the other headline indices, as consumer stocks continued to take their toll. For May, The Dow closed at 24,415.84, up 1.05% (1.41% with dividends) from April's 24,163.15 close, when it was up 0.25% (0.34% with dividends), and March's 24,103.11 close, when it declined 3.70% (February was down 4.28%). The result was a YTD decline of 1.23% (-0.24% with dividends), leaving The Dow the worst performer of the four core indices. From the index's last closing high of 26,616.71 on Jan. 26, 2018, The Dow has declined 9.22%.

For the month, 16 of the 30 issues gained, with an average 3.82% gain, up from 15 last month and 6 in March, as 1 issue gained at least 10% (1 gained 10% last month); the 14 decliners posted an average fall of 2.83%, and no issue declined at least 10% (one did last month). Year-to-date, breadth remained strongly negative, as 10 issues gained (an average of 12.13%), the same as last month, with 20 falling (an average -8.23%). Seven issues added at least 10% YTD, as six declined at least 10%.

While the index managed a 1.05% gain, issue-level variance remained and was significant, with five issues up at least 5% and three down at least 5%, showing the diversity of the index, which spreads the risk but also reduces the reward. Information technology did well, as Apple set new highs and increased 13.08% for the month (the best issue in the index for the month), and it was up 10.42% YTD. Intel (INTC) added 6.94% and was up 19.58% YTD, with Microsoft (MSFT) up 5.69% and up 15.55% YTD. Airline and defense issue Boeing (BA) was up 5.58% in May, even as trade with Iran was restricted (but has not yet been implemented), with the issue up 19.41% YTD. Energy issues were mixed, as Exxon Mobil added 4.49% but was still down 2.87% YTD, while Chevron (CVX) fell 0.65% and was off 5.25% YTD. On the down side, Wal-Mart (WMT) did the worst, off 6.69% and off 16.42% YTD, as McDonald's fell 4.49% and was off 7.04% YTD. Computer network product maker Cisco Systems (CSCO) lost 3.57% but was up 11.51% YTD. Notably, General Electric managed a sub-par 0.07% gain but was down 19.31% YTD and down 55.44% from the close of 2016.

S&P MidCap 400

The S&P MidCap 400 recovered from its April 0.34% decline (the only headline index to decline in April), as it posted a 3.95% return for May. The gain pushed the index into the black YTD, up 2.41%, and the one-year gain was 13.05%.

Nine of the eleven sectors gained for the month, up from six last month and eight in the prior month. Sector returns continued to vary, as the spread between the best and worst group decreased to 15.76% from April's 17.33% spread (but was up from March's 10.08%). The three-month spread was 40.92%, with the one-year spread at 60.89%, demonstrating the blending of sectors (energy was up 33.18% for the one-year period, while telecommunication services was down 27.71%). Energy again did the best for the month, adding 9.25% after last month's 6.60% gain, with the sector up 14.65% YTD but still down 27.01% over the three-year period. Real estate rebounded 5.60%, as it moved close to a YTD breakeven, but falling short at -0.42% (off 0.14% for the one-year period). Utilities added 2.58%, as it turned positive YTD, up 1.99%. Information technology added 4.73%, and the sector was up 5.67% YTD. Consumer sectors continued to split, as consumer discretionary was up 1.47% and consumer staples was down 1.63%; year-to-date, they were both down, returning -3.35% and -5.22%, respectively.

Breadth remained positive for May and improved from the slightly positive breadth seen in the previous month, as 278 issues gained (an average of 7.62%), up from April's 201 and March's 212, as 121 declined (an average loss of 4.39%), down from last month's 198 and March's 183.

For the month, 75 issues (39 last month) gained at least 10% (average 16.09%), as 17 (33) declined at least 10% (average loss of 12.85%). Year-to-date, breadth turned a tick positive, with 199 (164) gaining (average 14.39%) and 198 (235) declining (-11.73%), as 107 (69) were up at least 10% and 92 (106) were down at least 10%.

S&P SmallCap 600

The S&P SmallCap 600, which was already on a roll, continued up, as it posted a new all-time high. For May, the index added 6.54%, after last month's 0.96% and March's 1.86% gain (when its peers were in the red). For the three-month period, the index was up 9.36%, more than twice the mid-cap index's 4.39% return, as the large- and small-cap indices were in the red for the same period. Year-to-date, the index was up 7.61% (with the S&P MidCap 400 the next best, up 2.41%), as the one-year gain was 21.07%. Press coverage was loud, as some momentum was built up, along with new money. The concern was that short-term investors might have gotten in and could quickly get out (similar to the dividend play a few years ago).

All 11 sectors gained for the month, up from 8 in April and March. Sector variance declined significantly, as the difference between the best and worst sector fell to 6.13% from last month's 18.32%; there were no negative sectors, with the worst sector (utilities) up 3.12% for the month. The uniform nature of the sector returns (even with a 6.13% spread) was a reversal from last month, when energy added 16.57% and accounted for most of the gain. Energy continued up this month, as it added 6.98% and was up 12.09% YTD; the gains are still viewed as a rebound, with the sector down 56.24% over the five-year period. Health care did the best, as smaller was better, with a monthly gain of 9.25% compared with the mid-cap sector's gain of 7.75% and the large-cap sector's 0.02%. Year-to-date, the sector was up 27.05%, the best of any sector in any index. Consumer sectors gained, as consumer discretionary was up 5.14% and up 4.40% YTD, and consumer staples added 7.18% and broke into the black for 2018, up 0.63% YTD (large and small caps were in the red YTD). Information technology also broke into the black YTD, up 7.45%, as it posted a May gain of 7.82%.

For the month, breadth was strongly positive, as 465 issues gained (an average of 11.48%), up from April's 328 and March's 362 issues (176 for February and 337 for January). On the down side, 132 fell (off an average of 8.91%), down from last month's 273 issues (234 in March). Gains of at least 10% grew to 188 issues, 31% of the index (88 last month and 83 the month before that), with 50 issues off at least 10% (51 last month and 38 the month before that). Year-to-date, breadth turned positive, as 346 (271 last month) issues were up, with an average gain of 23.47%, while 255 (331) were down, with an average loss of 13.32%. Year-to-date, 40% of the index moved up least 10%, 239 (149) moved up and 129 (162) moved down at least 10%, while 116 issues moved up at least 25% and 36 declined at least 25%.

S&P Global BMI

Global markets' progress continued in May. They started to pull back in late January, continued in early February, started to show signs of stabilizing in March (but still declined), stabilized in April when they posted a gain (although not uniformly across the globe), and they continued with a slight overall gain in May—but differentiated between developed, emerging, and the U.S. For May, global markets added 0.09%, compared with 0.79% in April and March's broad 2.16% decline (which was an improvement from February's 4.29% fall), as they remained in the red YTD, off 0.49%.

For May, the S&P Global BMI increased USD 0.041 billion in market value (up USD 0.408 billion in April and down USD 1.264 trillion in March), with the U.S. portion up USD 0.705 trillion (up USD 0.062 trillion last month and down USD 0.682 trillion the month before that), while the non-U.S. portion was down USD 0.663 trillion (up USD 0.346 trillion last month and off USD 0.582 trillion the month before that). Year-to-date, global markets were down USD 0.374 billion to USD 54.416 trillion.

For the month, 10 of the 47 markets gained, down from 29 of the 47 markets last month and only 10 gainers the month before that. For May, the U.S. gained 2.59% (it was up 0.25% in April and declined 2.14% in March), as the global ex-U.S. return for May was -2.79%. Year-to-date, the S&P Global BMI was down 0.49%, the U.S. was up 1.76%, and global markets ex-the U.S. were down 2.79%. For the one-year period, the U.S. outperformed, as global markets were up 10.44%, and absent the U.S.'s 12.95% return they were up 7.87%. Since the U.S. election (Nov. 8, 2016), the non-U.S. global market has underperformed the U.S., returning 21.89% while the U.S. gained 27.60%. Over the longer term, the U.S. also outperformed, as the global three-year return was 18.12%, but absent the U.S.'s 27.78%, the three-year return was 8.83%.

Sector returns continued to vary, as 6 of the 11 gained for the month, down from 8 gainers last month and 3 gainers the month before that. The spread between the best (information technology was up 5.28%) and worst (telecommunication services was down 6.21%) sectors for the month was 11.50%, up from last month's 9.96% spread. The worst sector, telecommunication services, continued under pressure, falling 6.21% for the month and down 10.78% YTD, the worst sector in the index. The safety of utilities failed, as the sector declined 2.48% for the month and was back in the red YTD, off 2.61%. Energy was volatile (as was oil), ending the month up 0.94% and up 4.09% YTD. Information technology was the big winner, adding 5.28%, as it posted an 8.04% YTD gain, the best of any sector.

While the overall global markets were up, emerging markets were not, as they declined a broad 3.17% in May, after April's 0.85% decline and March's broad 2.83% decline—resulting in a three-month loss of 6.70%. For May, only 3 of 22 markets were positive, down from April's 12 and March's 6. The one-year return was 11.81% (it was 17.13% in April and 20.59% in March). Over the two-year period, emerging markets increased 37.01% (36.59% in April) and their three-year return was up 10.64% (10.95% in April). China was the best market for the month, adding 1.56%, as trade issues with the U.S. continued (as well as political ones over North Korea), with the country up 3.87% YTD. Taiwan was next, adding 0.99% in May (up 0.97% YTD), followed by Russia, which added 0.28% (and was up 0.47% YTD). The remaining 19 markets were in the red, as Brazil ranked as the worst performer, off 16.37% for the month and off 11.53% YTD. Hungary was next, off 15.96% (off 17.58% YTD), followed by Greece, which fell 14.96% (off 10.15% YTD).

Developed markets did much better (again), adding 0.48% but down 2.23% ex-the U.S., after last month's 0.99% gain (1.96% ex-the U.S.) and the prior month's 2.08% fall (-2.00% ex-the U.S.). They remained negative YTD, off 0.19%, and off 2.73% ex-the U.S. Of the 25 markets, 7 gained (yet the overall index was up due to the U.S.), down from the 17 gainers in April and 4 in March. Developed markets were up 10.30% (11.73% in April) for the one-year period and up 6.89% ex-the U.S. (up 12.70% in April). Israel did the best, adding 10.79% and up 5.99% YTD. The U.S. was next, adding 2.59% (which given its weighting of 51.6% of the global index, accounted for the impact) and up 1.76% YTD, with Ireland next, up 2.42% and up 1.30% YTD. On the down side, Italy was off 12.07% and fell into the red YTD, off 3.71%. Spain was next, off 8.43% for the month and off 8.20% YTD, followed by Singapore, which fell 5.77% and was off 0.05% YTD.

PERFORMANCE RECAP

Exhibit 2: Monthly Returns

S&P 500	PRICE	1-MONTH (%)	YTD (%)	1-YEAR (%)	3-YEAR (%)	5-YEAR (%)	FR 12/99 (%)
Energy	558.35	2.53	4.68	16.52	-2.29	-5.50	162.48
Materials	363.22	1.83	-4.15	9.32	14.68	43.56	127.07
Industrials	623.49	2.69	-2.25	8.25	30.03	66.08	128.07
Consumer Discretionary	840.76	1.87	7.06	16.17	39.10	89.38	180.90
Consumer Staples	508.01	-1.79	-13.51	-12.65	1.58	23.21	144.18
Health Care	951.45	0.02	-0.51	8.42	10.03	71.14	191.16
Financials	450.24	-1.12	-2.95	16.87	36.22	68.76	39.95
Information Technology	1223.45	7.13	10.60	26.54	69.12	140.84	51.52
Telecommunication Services	144.87	-2.27	-12.77	-8.75	-7.79	-6.54	-55.12
Utilities	256.98	-1.69	-3.89	-5.41	14.38	35.07	80.42
Real Estate	194.35	1.97	-4.66	-0.97	6.36	21.82	-
S&P 500	2705.27	2.16	1.18	12.17	28.37	65.89	84.13
DOW JONES INDUSTRIAL AVERAGE	**PRICE**	**1-MONTH (%)**	**YTD (%)**	**1-YEAR (%)**	**3-YEAR (%)**	**5-YEAR (%)**	**FR 12/99 (%)**
Dow Jones Industrial Average	24415.84	1.05	-1.23	16.22	35.56	61.53	112.36
S&P MIDCAP 400	**PRICE**	**1-MONTH (%)**	**YTD (%)**	**1-YEAR (%)**	**3-YEAR (%)**	**5-YEAR (%)**	**FR 12/99 (%)**
Energy	484.02	9.25	14.65	33.18	-27.01	-37.59	175.85
Materials	511.96	4.31	0.01	13.39	35.05	60.74	361.35
Industrials	996.61	4.20	-2.73	14.22	37.76	72.77	459.84
Consumer Discretionary	768.97	1.47	-3.35	10.15	7.95	46.12	286.58
Consumer Staples	1636.83	-1.63	-5.22	-1.64	-0.47	48.48	839.54
Health Care	1835.24	7.75	14.87	20.41	44.61	135.38	937.36
Financials	1038.74	1.93	2.77	16.44	44.85	77.62	213.97
Information Technology	2443.51	4.73	5.67	15.97	44.77	99.00	189.98
Telecommunication Services	135.56	-6.51	-8.09	-27.71	-49.80	-34.03	-71.35
Utilities	538.35	2.58	1.99	3.34	32.75	49.69	288.65
Real Estate	226.83	5.60	-0.42	-0.14	-	-	-
S&P MidCap 400	1946.43	3.95	2.41	13.05	27.66	64.35	337.72
S&P SMALLCAP 600	**PRICE**	**1-MONTH (%)**	**YTD (%)**	**1-YEAR (%)**	**3-YEAR (%)**	**5-YEAR (%)**	**FR 12/99 (%)**
Energy	629.68	6.98	12.09	22.56	-37.64	-56.24	305.20
Materials	536.65	3.60	1.56	17.34	29.59	46.34	289.27
Industrials	1107.25	6.61	4.58	22.41	44.28	84.15	453.79
Consumer Discretionary	584.03	5.14	4.40	19.54	20.32	57.97	330.92
Consumer Staples	1784.29	7.18	0.63	10.20	30.30	75.89	795.05
Health Care	2994.93	9.25	27.05	52.76	80.51	205.15	1554.29
Financials	1115.80	4.26	7.53	22.17	50.56	75.94	280.94
Information Technology	717.11	7.82	7.45	10.87	54.75	130.76	162.23
Telecommunication Services	2.95	3.87	3.87	6.88	26.07	30.41	-95.98
Utilities	956.84	3.12	-0.28	6.52	50.14	77.31	409.77
Real Estate	192.22	7.56	-5.50	-3.03	-	-	-
S&P SmallCap 600	1007.54	6.34	7.61	21.07	41.33	82.53	409.40

Source: S&P Dow Jones Indices LLC. Data as of May 31, 2018. 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	2.41	2.02	14.38	36.67	84.05	139.72
S&P MidCap 400	4.13	3.05	14.86	34.00	77.61	157.78
S&P SmallCap 600	6.46	8.17	22.72	47.38	95.12	190.25
S&P Composite 1500	2,65	2.27	14.67	36.77	83.87	142.79
Dow Jones Industrial Average	1.41	-0.24	18.91	46.07	82.47	151.59

Source: S&P Dow Jones Indices LLC. Data as of May 31, 2018. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

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

BMI MEMBER	1-MONTH (%)	3-MONTH	YTD (%)	1-YEAR (%)	2-YEAR (%)	3-YEAR (%)
Global	0.09	-1.29	-0.49	10.44	27.34	18.12
Global Ex-U.S.	-2.43	-3.28	-2.79	7.87	24.30	8.83
Emerging	-3.17	-6.70	-3.01	11.81	37.01	10.64
China	1.56	-1.29	3.87	27.39	59.44	15.41
Taiwan	0.99	-2.31	0.97	8.85	38.14	12.73
Russia	0.28	-10.91	0.47	12.00	32.49	21.94
Indonesia	-0.73	-12.22	-9.19	-2.62	17.41	2.39
Qatar	-2.26	4.01	3.55	-10.29	-2.95	-23.02
U.A.E.	-2.73	-5.12	-4.50	-4.50	1.64	-16.70
India	-3.25	-3.09	-6.92	8.06	35.91	25.36
Colombia	-4.12	3.92	5.52	8.08	26.79	2.69
Czech Republic	-4.71	-4.80	-1.55	15.67	25.99	12.95
Thailand	-4.79	-7.78	-0.98	17.30	34.21	20.58
Philippines	-4.92	-11.27	-15.65	-9.68	-8.43	-13.75
Peru	-4.97	0.11	5.18	30.77	59.16	50.89
South Africa	-6.87	-14.69	-11.45	5.19	27.12	0.43
Malaysia	-7.94	-9.42	-4.36	4.61	11.15	-7.37
Chile	-8.45	-9.66	-6.60	16.00	43.71	23.10
Poland	-10.14	-14.60	-16.66	-4.08	32.31	-2.42
Egypt	-10.54	6.20	9.94	22.80	8.47	-20.01
Turkey	-13.02	-28.97	-27.32	-21.08	-17.99	-30.20
Mexico	-13.38	-11.03	-10.70	-13.73	-10.04	-23.08
Greece	-14.96	-12.55	-10.15	-3.06	8.77	-27.54
Hungary	-15.96	-16.62	-17.58	-1.92	30.22	50.54
Brazil	-16.37	-21.62	-11.53	3.86	46.20	14.57

Source: S&P Dow Jones Indices LLC. Data as of May 31, 2018. 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 May Performance

BMI MEMBER	1-MONTH (%)	3-MONTH	YTD (%)	1-YEAR (%)	2-YEAR (%)	3-YEAR (%)
Developed	0.48	-0.63	-0.19	10.30	26.38	18.92
Developed Ex-U.S.	-2.23	-2.31	-2.73	6.89	21.36	8.30
Israel	5.99	1.43	2.04	0.81	1.30	-8.88
United States	2.59	0.64	1.76	12.95	30.26	27.78
Ireland	2.42	4.70	1.30	9.31	17.64	26.50
New Zealand	1.81	-1.09	0.70	11.73	19.13	29.96
Canada	1.79	2.96	-4.07	9.61	16.32	3.45
Australia	1.09	-2.56	-3.69	8.06	18.59	4.62
Hong Kong	0.26	-0.13	1.22	11.38	30.21	2.56
Japan	-0.87	-2.88	-0.11	13.46	28.80	19.36
United Kingdom	-1.25	2.44	-1.84	5.42	12.00	-3.94
Luxembourg	-1.38	-3.80	0.23	12.65	33.69	-1.87
Norway	-1.39	0.44	4.19	21.51	34.21	10.57
Sweden	-1.74	-6.68	-6.60	-4.48	11.51	2.20
Denmark	-1.93	-5.88	-4.75	5.34	6.88	12.16
Finland	-2.13	-2.36	4.74	6.37	28.58	23.36
Portugal	-2.56	-1.01	0.34	6.87	17.24	3.26
Netherlands	-3.06	-3.11	-1.90	7.30	29.61	20.97
Switzerland	-3.25	-7.45	-9.19	-5.49	8.30	-5.56
Korea	-4.52	0.15	-2.16	11.96	44.39	26.10
Germany	-4.64	-5.05	-6.55	3.43	25.07	13.60
France	-5.15	-2.67	-1.05	6.60	27.19	18.22
Austria	-5.40	-8.63	-3.05	16.03	62.83	43.50
Belgium	-5.55	-10.59	-8.72	-5.72	-1.36	0.92
Singapore	-5.77	-3.93	-0.05	11.75	27.65	5.56
Spain	-8.43	-8.21	-8.20	-8.80	10.53	-10.11
Italy	-12.07	-7.78	-3.71	7.78	25.49	-0.48

Source: S&P Dow Jones Indices LLC. Data as of May 31, 2018. 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	2015	2016	2017	ESTIMATED 2018
S&P 500	14.73	22.69	21.73	17.20
S&P 500 Consumer Discretionary	16.89	22.17	23.86	20.64
S&P 500 Consumer Staples	15.96	22.18	18.57	17.01
S&P 500 Energy	12.03	-38.97	42.01	19.54
S&P 500 Financials	13.46	16.83	16.93	13.30
S&P 500 Health Care	14.68	21.02	21.10	16.23
S&P 500 Industrials	14.76	19.49	20.58	16.67
S&P 500 Information Technology	14.19	22.20	24.18	19.12
S&P 500 Materials	16.20	38.50	21.14	16.41
S&P 500 Telecommunication Services	43.21	14.02	14.23	10.13
S&P 500 Utilities	14.84	22.21	17.69	16.16
S&P 500 Real Estate	-	-	-	36.81
INDEX	**2015**	**2016**	**2017**	**ESTIMATED 2018**
S&P MidCap 400	18.71	30.41	24.92	18.43
S&P 400 Consumer Discretionary	18.19	20.80	18.13	14.70
S&P 400 Consumer Staples	16.80	23.84	22.25	17.95
S&P 400 Energy	22.82	-4.95	-302.51	37.87
S&P 400 Financials	18.61	25.05	20.05	14.88
S&P 400 Health Care	21.24	27.39	35.55	22.56
S&P 400 Industrials	15.55	21.56	21.82	18.20
S&P 400 Information Technology	23.60	40.03	32.74	20.73
S&P 400 Materials	17.93	28.08	18.64	13.60
S&P 400 Telecommunication Services	34.07	13.29	-11.91	24.56
S&P 400 Utilities	15.52	23.42	20.57	20.37
S&P 400 Real Estate	-	-	-	28.42
INDEX	**2015**	**2016**	**2017**	**ESTIMATED 2018**
S&P SmallCap 600	22.04	42.43	32.30	20.55
S&P 600 Consumer Discretionary	21.45	23.16	24.30	16.71
S&P 600 Consumer Staples	18.26	20.41	27.96	18.54
S&P 600 Energy	77.57	-2.48	-30.72	31.03
S&P 600 Financials	20.10	26.37	20.75	15.40
S&P 600 Health Care	21.59	43.30	-653.91	39.56
S&P 600 Industrials	17.85	24.72	25.02	19.67
S&P 600 Information Technology	31.37	41.01	31.04	20.61
S&P 600 Materials	22.56	46.69	23.09	16.71
S&P 600 Telecommunication Services	24.20	36.50	-	-147.50
S&P 600 Utilities	16.69	23.40	26.42	23.54
S&P 600 Real Estate	-	-	-	51.95

Source: S&P Dow Jones Indices LLC. Data as of May 31, 2018. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Exhibit 7: Operating EPS Changes

INDEX	Q2 2017 OVER Q2 2016	Q3 2017 OVER Q3 2016	Q4 2017 OVER Q4 2016	Q1 2018E OVER Q1 2017	Q2 2018E OVER Q2 2017	2017 OVER 2016 (%)	2018E OVER 2017 (%)
S&P 500	18.72	9.20	21.36	26.20	26.25	17.18	26.33
S&P 500 Consumer Discretionary	1.75	3.75	13.18	14.16	14.47	5.83	15.61
S&P 500 Consumer Staples	6.67	5.60	14.40	12.52	8.33	7.97	9.18
S&P 500 Energy	233.50	328.74	614.63	62.37	159.64	480.80	115.05
S&P 500 Financials	27.84	-12.29	13.31	15.37	20.20	11.77	27.27
S&P 500 Health Care	7.68	6.36	10.66	15.02	31.15	6.24	30.05
S&P 500 Industrials	12.32	7.33	19.85	40.19	16.46	11.90	23.47
S&P 500 Information Technology	30.71	32.18	38.80	46.12	34.04	33.20	26.47
S&P 500 Materials	-0.41	9.92	31.73	19.05	27.61	31.95	28.87
S&P 500 Telecommunication Services	45.83	5.38	-23.62	32.96	31.07	3.25	40.47
S&P 500 Utilities	14.18	-5.48	27.50	18.67	10.13	6.29	9.43
S&P 500 Real Estate	-	-	-	-	-	-	-5.71
INDEX	**Q2 2017 OVER Q2 2016**	**Q3 2017 OVER Q3 2016**	**Q4 2017 OVER Q4 2016**	**Q1 2018E OVER Q1 2017**	**Q2 2018E OVER Q2 2017**	**2017 OVER 2016 (%)**	**2018E OVER 2017 (%)**
S&P MidCap 400	20.82	-2.15	37.11	25.94	30.67	21.03	35.18
S&P 400 Consumer Discretionary	19.91	14.21	6.63	26.77	15.44	11.72	23.34
S&P 400 Consumer Staples	0.61	16.98	-0.66	39.75	21.03	4.50	23.92
S&P 400 Energy	116.18	-138.67	115.35	900.00	42.08	96.99	898.75
S&P 400 Financials	47.46	-25.51	7.13	11.25	22.54	15.57	34.73
S&P 400 Health Care	-33.62	37.27	16.00	16.92	135.24	3.43	57.57
S&P 400 Industrials	7.93	14.90	28.62	28.94	13.00	13.69	19.88
S&P 400 Information Technology	27.26	19.04	7.56	24.87	59.35	25.05	57.97
S&P 400 Materials	32.97	48.01	60.41	31.83	38.68	53.64	37.02
S&P 400 Telecommunication Services	-267.40	-569.86	-324.44	183.04	133.42	-456.74	148.51
S&P 400 Utilities	0.00	1.67	10.38	10.62	15.54	7.47	0.99
S&P 400 Real Estate	-	-	-	-	-	-	9.62
INDEX	**Q2 2017 OVER Q2 2016**	**Q3 2017 OVER Q3 2016**	**Q4 2017 OVER Q4 2016**	**Q1 2018E OVER Q1 2017**	**Q2 2018E OVER Q2 2017**	**2017 OVER 2016 (%)**	**2018E OVER 2017 (%)**
S&P SmallCap 600	15.96	9.94	30.60	29.21	57.92	21.79	57.23
S&P 600 Consumer Discretionary	-6.72	-8.01	28.81	36.66	44.68	0.67	45.44
S&P 600 Consumer Staples	8.32	-34.07	11.99	107.86	8.23	-16.14	50.78
S&P 600 Energy	95.50	63.43	73.61	101.76	397.50	82.77	198.98
S&P 600 Financials	12.00	-2.22	21.07	25.21	39.09	16.81	34.72
S&P 600 Health Care	-101.70	897.92	-576.47	673.19	16869.23	-133.02	1753.06
S&P 600 Industrials	-5.23	11.55	68.94	16.27	36.44	19.27	27.16
S&P 600 Information Technology	39.13	18.85	24.59	13.46	63.42	36.28	50.65
S&P 600 Materials	17.57	-16.88	47.40	11.17	38.75	21.74	38.17
S&P 600 Telecommunication Services	-50.00	-50.00	-200.00	0.00	-200.00	-100.00	-
S&P 600 Utilities	58.27	-32.44	4.38	27.61	-3.18	1.51	12.26
S&P 600 Real Estate	-	-	-	-	-	-	-39.54

Source: S&P Dow Jones Indices LLC. Data as of May 31, 2018. 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	MAY 2018	AVERAGE % CHANGE	3-MONTH	AVERAGE % CHANGE	YTD	AVERAGE % CHANGE
Up	279	5.95	244	9.74	230	13.51
Down	226	-4.58	261	-8.15	275	-10.28
Up >= 10%	49	15.75	82	19.50	113	22.93
Down <= -10%	25	-15.62	77	-15.85	112	-18.46
Up >= 25%	7	28.96	20	32.81	36	37.65
Down <= -25%	2	-30.18	5	-31.18	16	-31.32
Up >= 50%	0	0.00	1	61.16	4	73.98
Down <= -50%	0	0.00	0	0.00	0	0.00

S&P MIDCAP 400

TYPE	MAY 2018	AVERAGE % CHANGE	3-MONTH	AVERAGE % CHANGE	YTD	AVERAGE % CHANGE
Up	278	7.62	254	13.34	199	14.39
Down	121	-4.39	143	-9.68	198	-11.73
Up >= 10%	75	16.09	132	21.08	107	22.33
Down <= -10%	17	-12.85	59	-16.64	92	-20.09
Up >= 25%	4	38.82	29	41.60	31	38.15
Down <= -25%	0	0.00	8	-28.03	24	-31.55
Up >= 50%	1	50.51	7	65.97	4	72.76
Down <= -50%	0	0.00	0	0.00	1	-56.66

S&P SMALLCAP 600

TYPE	MAY 2018	AVERAGE % CHANGE	3-MONTH	AVERAGE % CHANGE	YTD	AVERAGE % CHANGE
Up	465	11.48	445	18.90	346	23.47
Down	132	-8.91	155	-11.59	255	-13.32
Up >= 10%	188	21.13	294	26.10	239	31.78
Down <= -10%	50	-17.67	65	-20.89	129	-21.82
Up >= 25%	47	37.68	115	41.74	116	48.15
Down <= -25%	8	-31.60	13	-40.04	36	-35.21
Up >= 50%	4	67.06	25	70.87	40	73.84
Down <= -50%	0	0.00	3	-57.86	3	-72.05

DOW JONES INDUSTRIAL AVERAGE

TYPE	MAY 2018	AVERAGE % CHANGE	3-MONTH	AVERAGE % CHANGE	YTD	AVERAGE % CHANGE
Up	16	3.82	12	6.27	10	12.13
Down	14	-2.83	18	-6.02	20	-8.23
Up >= 10%	1	13.08	2	11.53	7	15.13
Down <= -10%	0	0.00	2	-15.17	6	-16.34
Up >= 25%	0	0.00	0	0.00	0	0.00
Down <= -25%	0	0.00	0	0.00	0	0.00
Up >= 50%	0	0.00	0	0.00	0	0.00
Down <= -50%	0	0.00	0	0.00	0	0.00

Source: S&P Dow Jones Indices LLC. Data as of May 31, 2018. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

GENERAL DISCLAIMER

It is not possible to invest directly in an index. Exposure to an asset class represented by an index is available through investable instruments based on that index. S&P Dow Jones Indices does not sponsor, endorse, sell, promote or manage any investment fund or other investment vehicle that is offered by third parties and that seeks to provide an investment return based on the performance of any index. S&P Dow Jones Indices makes no assurance that investment products based on the index will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment advisor, and S&P Dow Jones Indices makes no representation regarding the advisability of investing in any such investment fund or other investment vehicle. A decision to invest in any such investment fund or other investment vehicle should not be made in reliance on any of the statements set forth in this document. Prospective investors are advised to make an investment in any such fund or other vehicle only after carefully considering the risks associated with investing in such funds, as detailed in an offering memorandum or similar document that is prepared by or on behalf of the issuer of the investment fund or other vehicle. Inclusion of a security within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, nor is it considered to be investment advice.

These materials have been prepared solely for informational purposes based upon information generally available to the public and from sources believed to be reliable. No content contained in these materials (including index data, ratings, credit-related analyses and data, research, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse-engineered, reproduced or distributed in any form or by any means, or stored in a database or retrieval system, without the prior written permission of S&P Dow Jones Indices. The Content shall not be used for any unlawful or unauthorized purposes. S&P Dow Jones Indices and its third-party data providers and licensors (collectively "S&P Dow Jones Indices Parties") do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Dow Jones Indices Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. THE CONTENT IS PROVIDED ON AN "AS IS" BASIS. S&P DOW JONES INDICES PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Dow Jones Indices Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the Content even if advised of the possibility of such damages.

S&P Dow Jones Indices keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P Dow Jones Indices may have information that is not available to other business units. S&P Dow Jones Indices has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

In addition, S&P Dow Jones Indices provides a wide range of services to, or relating to, many organizations, including issuers of securities, investment advisers, broker-dealers, investment banks, other financial institutions and financial intermediaries, and accordingly may receive fees or other economic benefits from those organizations, including organizations whose securities or services they may recommend, rate, include in model portfolios, evaluate or otherwise address.