Market Review

HORAN CAPITAL ADVISORS

Tuesday, October 31, 2017

Equity Returns	1-Month	YTD	1-Year
Dow Jones Industrial Average	4.44%	20.58%	32.07%
S&P 500	2.33%	16.91%	23.63%
NASDAQ	3.61%	14.07%	31.13%
S&P Mid Cap	2.26%	11.88%	23.48%
Russell 2000	0.85%	11.89%	27.85%
MSCI World (ex-US)	1.88%	23.41%	23.64%
MSCI EAFE	1.52%	21.78%	23.44%
Developed Intl Ex-US Small Cap	1.69%	27.54%	27.51%
MSCI Emerging Markets	3.51%	32.26%	26.45%
MSCI ACWI	2.08%	19.69%	23.20%

S&P 500 Sector Returns	1-Month	YTD	1-Year
Consumer Discretionary	2.11%	14.30%	19.75%
Consumer Staples	-1.40%	5.08%	3.76%
Energy	-0.66%	-7.25%	2.48%
Financials	2.93%	15.78%	37.06%
Health Care	-0.76%	19.39%	22.61%
Industrials	0.20%	14.36%	25.11%
Information Technology	7.76%	37.24%	38.96%
Materials	3.87%	20.30%	28.70%
Real Estate	0.81%	8.02%	9.26%
Telecom	-7.62%	-11.95%	-1.37%
Utilities	3.90%	16.24%	15.40%

Style Returns	1-Month	YTD	1-Year
S&P 500 Growth	3.28%	23.24%	26.51%
S&P 500 Value	1.15%	9.74%	19.62%
S&P High Beta	1.73%	11.21%	26.67%
S&P Low Volatility	1.90%	14.33%	17.89%

Fixed Income Returns	1-Month	YTD	1-Year
Barclays Agg	0.10%	3.22%	0.83%
Barclays Agg 1-3 Year	0.12%	1.79%	1.62%
Barclays Intermediate Gov Credit	-0.08%	2.13%	0.47%
Barclays Global Bond	-0.22%	11.72%	8.02%
Barclays High Yield	0.21%	6.54%	8.73%
Barclays High Yield Muni Index	0.03%	8.60%	3.11%

Alternative Returns	1-Month	YTD	1-Year
Alerian MLP	-4.11%	-10.25%	-4.31%
Gold	-0.75%	10.09%	-1.04%
US Dollar Index	1.59%	-7.49%	-3.95%
Volatility Index	7.05%	-27.49%	-40.33%

* Returns as of 10/31/2017

- Fresh all-time highs were made in the Dow Jones Industrial Average, S&P 500 Index, and Nasdaq as earnings driven rallies dominated the narrative in October. International markets also rose with Emerging Markets leading Developed. S&P 500 sector performance dispersion was high as differences in earnings results were wide across some sectors. Momentum in the Technology sector persisted while Consumer Staples and Telecom sectors underperformed.

- The bulk of third quarter earnings results for S&P 500 companies were reported in October. Earnings have grown by 8%, year over year, while revenue has grown 6% for the 75% of companies that have reported. This is an earnings surprise of 5% and revenue surprise of 1%.

- Third quarter GDP grew at a 3% annualized rate, well above what economists were expecting at 2.5%. Durable goods spending was the standout in the report, growing 8.3% annualized, likely due to demand caused by the hurricanes.

- The FOMC kept the Fed funds rate steady, but noted the US economy is "rising at a solid rate". Markets are pricing in a rate increase at the FOMC's December meeting.

- The US Dollar Index rose 1.6% in October, partially driven by weakness in the Euro/Dollar exchange rate. The Euro weakness is attributed to the ECB announcing tapering to its QE program, but stating rates are to remain low for the foreseeable future.

Interest Rates	Close	Prior Week	Prior Year End	1 Year Ago
Fed Funds Target	1.00% - 1.25%	1.00% - 1.25%	0.25% - 0.50%	0.25% - 0.50%
2-Year Treasury	1.60%	1.58%	1.20%	0.85%
5- Year Treasury	2.01%	2.03%	1.92%	1.31%
10-Year Treasury	2.38%	2.41%	2.43%	1.83%
Merrill Lynch Inv. Grade Corp.	3.18%	3.19%	3.37%	2.97%
Merrill Lynch High Yield	5.56%	5.43%	6.19%	6.34%

Commodities	Close	Prior Week	Prior Year End	1 Year Ago
WTI Oil	54.38	52.47	53.72	46.86
Gold	1270.4	1275.9	1151.46	1277.28
Natural Gas	2.896	2.974	3.724	3.026

Currency	Close	Prior Week	Prior Year End	1 Year Ago
EUR/USD	1.1644	1.1759	1.0513	1.0979
GBP/USD	1.3282	1.3134	1.2336	1.2242
USD/JPY	113.62	113.89	116.87	104.81
USD/BRL	3.2724	3.2432	3.2532	3.1878
USD/MXN	19.15	19.23	20.72	18.86

* Data provided by Thomson Reuters

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