

Wednesday, January 31, 2018

	1-Month	Post Tax Cuts & Jobs Act	1-Year
<b>Equity Returns</b>			
Dow Jones Industrial Average	5.88%	5.73%	34.80%
S&P 500	5.73%	5.38%	26.41%
NASDAQ	7.40%	6.54%	33.43%
S&P Mid Cap	2.87%	2.71%	17.61%
Russell 2000	2.61%	2.19%	17.18%
MSCI World (ex-US)	5.57%	6.83%	29.68%
MSCI EAFE	5.02%	6.00%	27.60%
Developed Intl Ex-US Small Cap	5.11%	6.83%	35.04%
MSCI Emerging Markets	8.33%	10.14%	41.01%
MSCI ACWI	5.64%	6.06%	27.48%

	1-Month	Post Tax Cuts & Jobs Act	1-Year
<b>S&amp;P 500 Sector Returns</b>			
Consumer Discretionary	9.34%	8.93%	29.00%
Consumer Staples	1.59%	1.62%	13.42%
Energy	3.81%	4.02%	6.60%
Financials	6.48%	5.95%	29.79%
Health Care	6.65%	6.26%	27.33%
Industrials	5.31%	5.56%	25.68%
Information Technology	7.63%	6.51%	43.11%
Materials	4.14%	4.33%	23.26%
Real Estate	-1.91%	-0.34%	8.71%
Telecom	0.55%	0.13%	1.81%
Utilities	-3.07%	-2.70%	7.32%

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<b>Style Returns</b>			
S&P 500 Growth	7.23%	6.75%	32.68%
S&P 500 Value	4.15%	3.94%	19.35%
S&P High Beta	6.03%	5.53%	22.72%
S&P Low Volatility	2.65%	3.01%	19.64%

	1-Month	Post Tax Cuts & Jobs Act	1-Year
<b>Fixed Income Returns</b>			
Barclays Agg	-1.13%	-0.71%	2.17%
Barclays Agg 1-3 Year	-0.23%	-0.16%	1.15%
Barclays Intermediate Gov Credit	-0.91%	-0.64%	0.71%
Barclays Global Bond	3.07%	4.28%	16.78%
Barclays High Yield	-0.05%	0.19%	5.10%
Barclays High Yield Muni Index	-0.13%	0.37%	8.25%

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<b>Alternative Returns</b>			
Alerian MLP	5.76%	6.28%	-5.75%
Gold	3.27%	5.50%	11.09%
US Dollar Index	-3.25%	-4.51%	-10.43%
Volatility Index	22.64%	36.77%	12.93%

\* Returns as of 1/31/2018

- January marked a month of continued equity market gains as global stocks continued to rally. The NASDAQ led in the US while Emerging Markets led all major equity classes. Consumer Discretionary and Technology were the standout S&P 500 sectors as investor sentiment around retail stocks improved and tech companies posted strong earnings results.
- As of the end of January, 37% of S&P 500 companies had reported earnings for the fourth quarter. Companies reporting thus far have posted earnings growth of 15.3% (4.9% surprise versus expectations) and revenue growth of 8% (1.3% surprise). Notably, 81% of companies exceeded their earnings expectations and 83% surpassed revenue expectations.
- GDP growth for the fourth quarter came in at a 2.6% annualized rate, below expectations of 2.9% annualized. Consumer spending was very strong, growing 3.8%. Residential investment rose 11.6% annualized while nonresidential fixed investment (business spending) grew 6.8% annualized. Weakness came in the form of net exports.
- At the last meeting chaired by Janet Yellen, the Federal Reserve decided to keep rates unchanged by a 9 to 0 vote. The Fed noted inflation is moving higher and that it expects inflation to hit its 2% target sometime this year.
- US equity market volatility spiked in January as markets dipped slightly at the end of the month. The US Dollar Index continued its decline in January, even despite the rise in treasury bond rates and stronger economic data. The USD weakness continues to be driven by strength in the Euro and Japanese Yen. Oil extended its recent rally, gaining 7% in the month.

	Close	Prior Week	Prior Year End	1 Year Ago
<b>Interest Rates</b>				
Fed Funds Target	1.25% - 1.50%	1.25% - 1.50%	1.25% - 1.50%	0.50% - 0.75%
2-Year Treasury	2.15%	2.08%	1.89%	1.20%
5-Year Treasury	2.53%	2.44%	2.21%	1.91%
10-Year Treasury	2.72%	2.65%	2.41%	2.45%
Merrill Lynch Inv. Grade Corp.	3.48%	3.43%	3.27%	3.39%
Merrill Lynch High Yield	5.80%	5.71%	5.84%	5.80%

	Close	Prior Week	Prior Year End	1 Year Ago
<b>Commodities</b>				
WTI Oil	64.73	65.61	60.42	52.81
Gold	1344.7	1358.09	1302.1	1210.51
Natural Gas	2.995	3.509	2.953	3.117

	Close	Prior Week	Prior Year End	1 Year Ago
<b>Currency</b>				
EUR/USD	1.242	1.2406	1.1996	1.0795
GBP/USD	1.419	1.4241	1.3512	1.2577
USD/JPY	109.17	109.21	112.67	112.78
USD/BRL	3.1858	3.1464	3.3121	3.1507
USD/MXN	18.59	18.49	19.65	20.83

\* Data provided by Thomson Reuters

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