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## Market Monitor



- Including dividends, the S&P 500 posted its record 13th straight monthly gain in November and the Dow crossed 24,000 for the first time ever.
- U.S. crude oil spot prices rose 5.5% in November. WTI Crude Oil ended at a price of \$57.40/barrel.
- Though foreign equity markets continued to climb, they generally underperformed U.S. markets.

Stocks ended the month on a strong note, posting solid gains in the final day of trading. Market participants were encouraged by the prospects that a tax bill would be approved by year-end after one of the last holdouts, Senator John McCain, backed the Senate tax bill. Investors reacted positively because the Senate bill would cut the corporate tax rate from 35 percent to 20 percent. All three major domestic equity indices posted strong gains in November. The Dow Industrials posted the strongest November gain, with a 4.24% return, including dividends. The NASDAQ Composite advanced 2.34%, while extending its year-to-date gain to over 29%.

Within the S&P 500, all 11 major sectors advanced in November, led by Telecom (+6.03%), Consumer Staples (+5.67%) and Consumer Discretionary (+5.06%). Energy (+1.76%), Technology (+1.15%) and Materials (+0.99%) were up the least. On a YTD basis, Technology (+38.82%), Healthcare (+22.87%) and Materials (+21.48%) are this year's best performing sectors, while Telecom (-6.64%) and Energy (-5.62%) are the only sectors that remain negative in 2017. Mid cap stocks edged out large caps and small cap stocks last month. Mid cap companies, as measured by the Russell Mid Cap Index, rose 3.36%, while the Russell 2000 Index gained 2.88%. Looking at the Russell suite of indices, large cap stocks are still up the most this year, rising 20.35% YTD versus 17.43% for mid caps and 15.11% for small caps. Growth stocks performed in line with value stocks in November, with the Russell 1000 Growth Index up 3.04%, while the Russell 1000 Value Index rose 3.06%. Growth shares advancing 29.21% YTD, while value stocks trailed with a respectable 12.03% YTD gain.

In international equities, the MSCI EAFE Index, a broad performance measure of global developed markets outside the U.S. and Canada, underperformed again relative to domestic equities in November, rising just 1.05%, making its gain YTD 23.06%. Within the index, Japanese equities outperformed European equities, which were barely able to eke out a gain. Looking to less developed countries, the MSCI Emerging Markets Index underperformed the U.S., posting a 0.20% gain last month and 32.53% YTD. The MSCI All Country World Index, excluding the U.S., rose 0.81% in November and 24.42% YTD.

In fixed income markets, yields on the benchmark 10-year U.S. Treasury notes increased by 0.03% in November, to end the month at 2.41%. The Bloomberg Barclays U.S. Municipal Bond Index lost 0.54% for the month, underperforming the Bloomberg Barclays U.S. Aggregate Bond Index. The Aggregate Bond Index, a broader measure of U.S. investment grade bonds, fell 0.13%. Riskier bonds, as measured by the Bloomberg Barclays U.S. Corporate High Yield Index—a proxy for below-investment grade corporate bonds, lost 0.26% in November, dropping its YTD gain to 7.18%.

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