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# Economics Weekly

## The Emerging Shift in Economic Growth Drivers



As we head into next week's Fourth of July celebrations, it is worth highlighting the domestic journey the U.S. is currently embarking on. The attempted supply-side rejuvenation of the U.S. economy via an industrial growth policy is adding further support to the already unfolding [capex boom](#). **In this *Economics Weekly*, we reexamine America's trajectory and what this could mean for the structure of growth dynamics going forward.**

## The Return of Supply-Side Economics

Under Presidents Biden and Trump, the U.S. has decisively moved away from the neoliberal laissez-faire growth models that were strongly personified by the Clinton, Bush Jr., and Obama terms in office and returned to promoting a supply-side agenda, as pursued by President Reagan.

The neoliberal model was built on the view that with U.S. hegemony inalienable, open free trade with emerging nations such as China—hyper-globalization—would result in a win-win situation for both parties, even if one party was (for a time) not on a level playing field.

Aggregate trade increased substantially even amid aggressively protectionist measures, including a deeply undervalued exchange rate, heavily depressed wages, closed capital markets to foreign ownership, and the forced transfer of technology and IP. All of these actions were tolerated with the view that eventually they would result in the emergence of a new mammoth global consumer that would Hoover up American exports.

That hasn't yet happened. China continues to run a heavily imbalanced economy biased to investment spending over the consumer. In the meantime, many U.S. industries and towns were hollowed out and IP lost. As far as being an open market for American exporters, most companies are now much less inclined to talk about their TAM opportunities in China. In fact, in recent years many are making it a point to tell investors just how limited their exposure to that country is.

Meanwhile, under President Trump and now under Biden, a new industrial growth strategy has emerged.

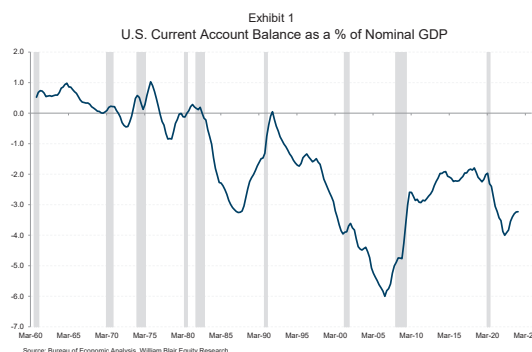
Trump preferred to engage this strategy via lower corporate taxes and increased tariffs on foreign goods, which he says will be pursued with much more vigor if he's reelected, along with a forced devaluation of the dollar ([according to Robert Lighthizer](#)), where winning was defined as shrinking the trade deficit.

President Biden has preferred a strategy of subsidies and incentives to strategic industries. Through the Inflation Reduction Act, the Infrastructure Investment and Jobs Act, and the CHIPS and Science Act, Biden is attempting to re-level the playing field.

As expensive as these acts seem to be, they are still less than [four times](#) smaller than the subsidies being issued by China to its industries (less conservative estimates suggest China's could be as much as nine times higher). The report by the Kiel Institute notes that 99% of listed firms in China received direct government subsidies in 2022.

The goals of the Biden administration's policies include increasing supply chain independence (particularly for strategic industries such as semiconductors), tightening national security, harnessing new technology to limit the impact of climate change, and providing for a cleaner energy future. They also endeavor to rejuvenate the country's industrial manufacturing base and the national psyche in the process.

Measuring success should include a number of factors, such as: rising productivity, stable inflation, a better mix between corporate profits and employees' wages (income inequality), lower carbon emissions and increased use of greener energy with better battery storage capabilities, a smaller budget deficit (and to some extent a smaller trade deficit), and greater business investment and industrial growth (exhibit 1).



**The industries that are most directly impacted include semiconductors, defense, renewable energy, materials (steel, aluminum, copper, raw critical materials, and chemicals), and technology.**

Achieving results will take time, and there are few signs of improvement just yet.

Meanwhile, China has been busy looking for ways to circumvent these policies by setting up entities in [Mexico](#) and attempting to do so in [Malaysia](#). It is also forming JVs on electric cars with the likes of Volvo (Geely Holdings) in an effort to avoid rising U.S. tariffs that will soon kick in under Biden and potentially rise even further should Trump be elected (and rise in Europe as well).

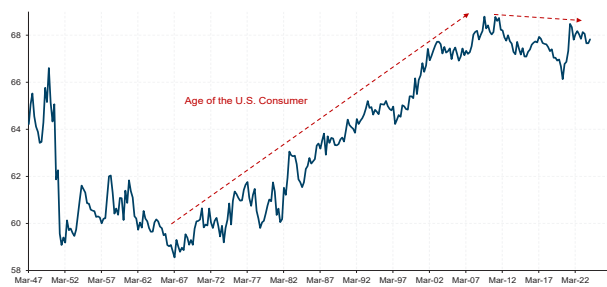
## Shifting Growth Share

It is worth noting that this industrial growth shift—if successful—should also likely result in a slightly smaller personal consumption share of GDP, unless accounted for by a reduced share from government investment or trade given that:  $GDP = C + I + (X-M) + G$ .

The period from the late 1960s right up to the global financial crisis was very much the age of the U.S. consumer. Over this period, total personal consumption expenditure (PCE) as a share of the economy increased from 59% to 69% (exhibit 2)—nominal GDP increased by a 6.9% CAGR and nominal PCE by a faster 7.3% CAGR. The question at the time was, how much share of GDP can the consumer really continue to take before it starts to squeeze the other components (government, business investment, and net exports)?

As it turned out, the answer was not too much more. Since the GFC, the PCE share of GDP has been relatively flat, slipping to 68% (with nominal GDP of 4.7% and PCE by 4.6% over this more recent period).

Exhibit 2  
Nominal Personal Consumption Expenditures as % of GDP



That PCE growth for 1967-2009 was driven by a combination of factors including the post-war baby boom, greater female and racial integration, more rapid immigration, advances in healthcare, education, geopolitical power, and just as importantly the “democratization” of consumer credit from the 1980s up to the GFC. These factors are either in reverse or no longer are having as positive a

contribution these days. Conversely, other GDP components were under more pressure at the time, in particular business fixed investment and net exports on the back of globalization (exhibit 3).

Exhibit 3  
Net Private Domestic Business Investment as a Percent of GDP, %



As a result, one measure of success here should be a rising investment share of GDP being offset by a moderating PCE share of growth, all things being equal.

## Conclusion

Even as China seemingly refuses to shift its strategy away from investment- and export-led growth toward a rising consumer share of GDP, the U.S. is attempting to turn a corner on its growth drivers. It too is now aiming for higher investment- and export-led growth.

All things equal, this growth shift could come at the expense of the consumer’s share of aggregate GDP. This means that consumer spending could shift to be more in line and slightly slower than trend GDP growth in the coming years.

This supply-side growth strategy is being pursued by both Presidents Biden and Trump. There is considerable overlap around policies involving tariffs and type of targeted industries as well as targeted countries, but with less consensus between the two around subsidies and tax rates. This shift in strategy is in stark contrast to the neo-liberal laissez-faire policies through the 1990s and early 2000s. Defining the strategic success should be measured through increases in productivity growth, stable inflation, and faster growth in those targeted industries, but success may also be reflected in the relative decline in consumers’ share of aggregate growth.

## Highlights in the Week Ahead

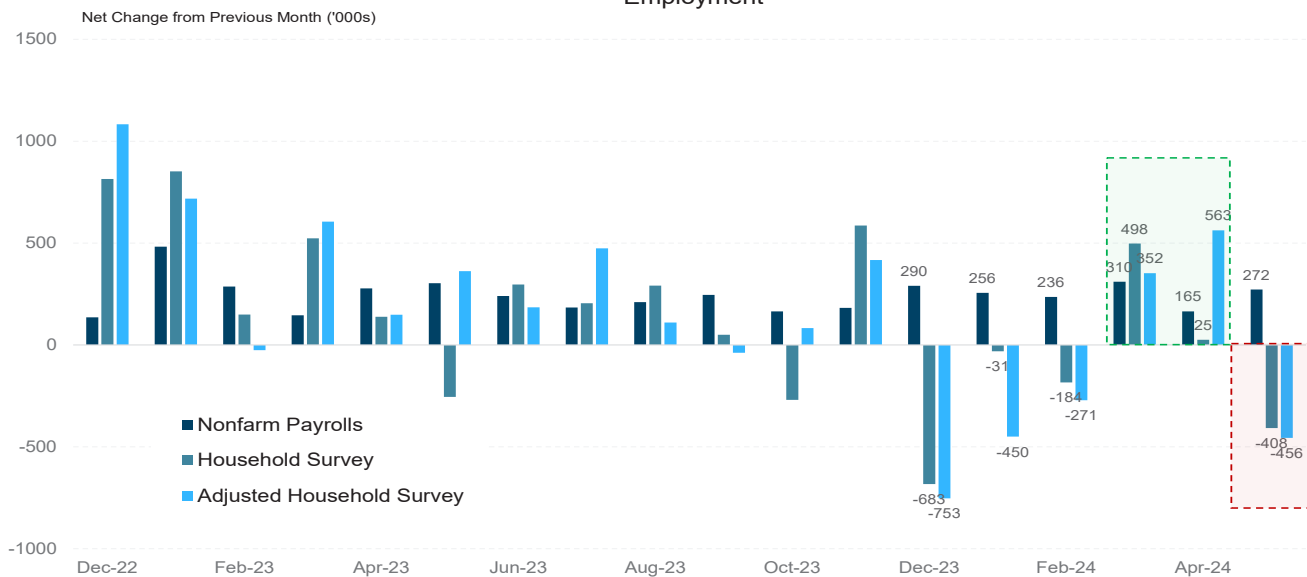
Date	Time (ET)	Indicator	Last	Consensus	WB Estimate	Actual
1 Jul	10:00 a.m.	ISM Manufacturing (June)	48.7	49.0	49.5	
2 Jul	10:00 a.m.	JOLTS (May)	8059K	N/A	N/A	
3 Jul	8:30 a.m.	Trade Balance (May)	-\$74.6bn	-\$71.2bn	-\$71.9bn	
3 Jul	10:00 a.m.	ISM Services Index (June)	53.8	52.0	51.6	
5 Jul	8:30 a.m.	Nonfarm Payrolls (June)	272K	182K	165K	
		Unemployment Rate	4.0%	4.0%	4.0%	
		Average Hourly Earnings	0.4%	0.3%	0.3%	

Sources: Bloomberg, William Blair Equity Research

## Indicator of the Week: Employment Situation

### Measures of Employment Growth

Establishment Survey of Nonfarm Payrolls vs Household Survey & Adjusted Household Survey of Employment



Sources: Bureau of Labor Statistics, William Blair Equity Research

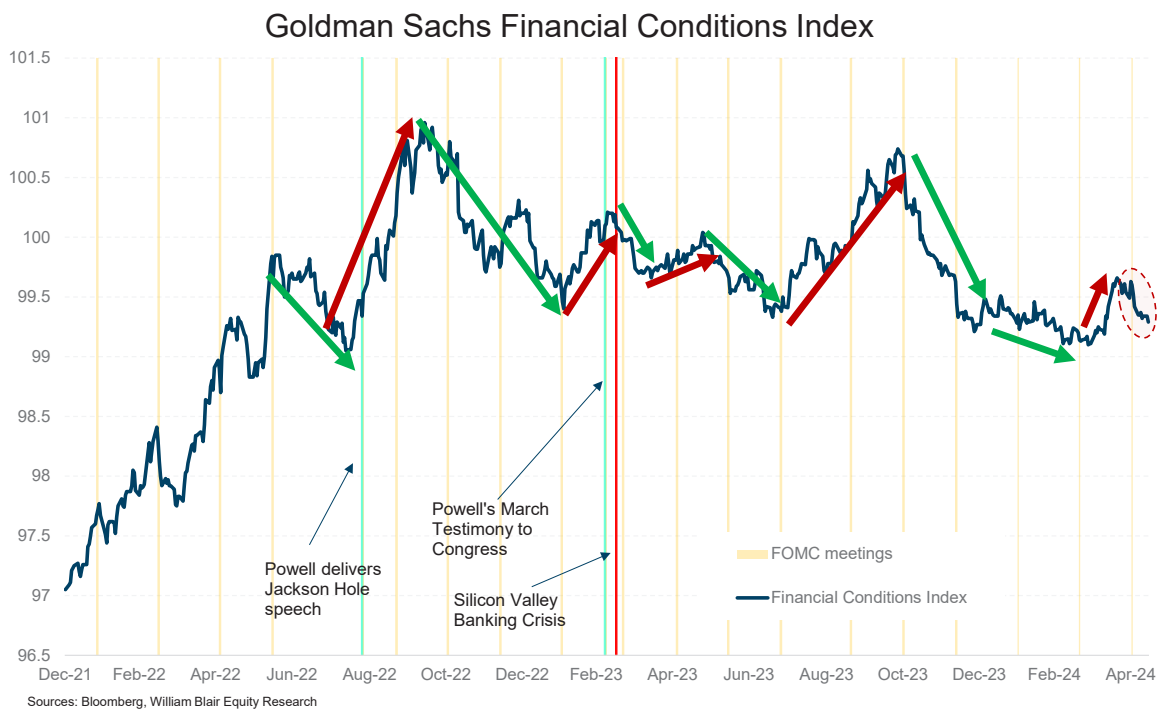
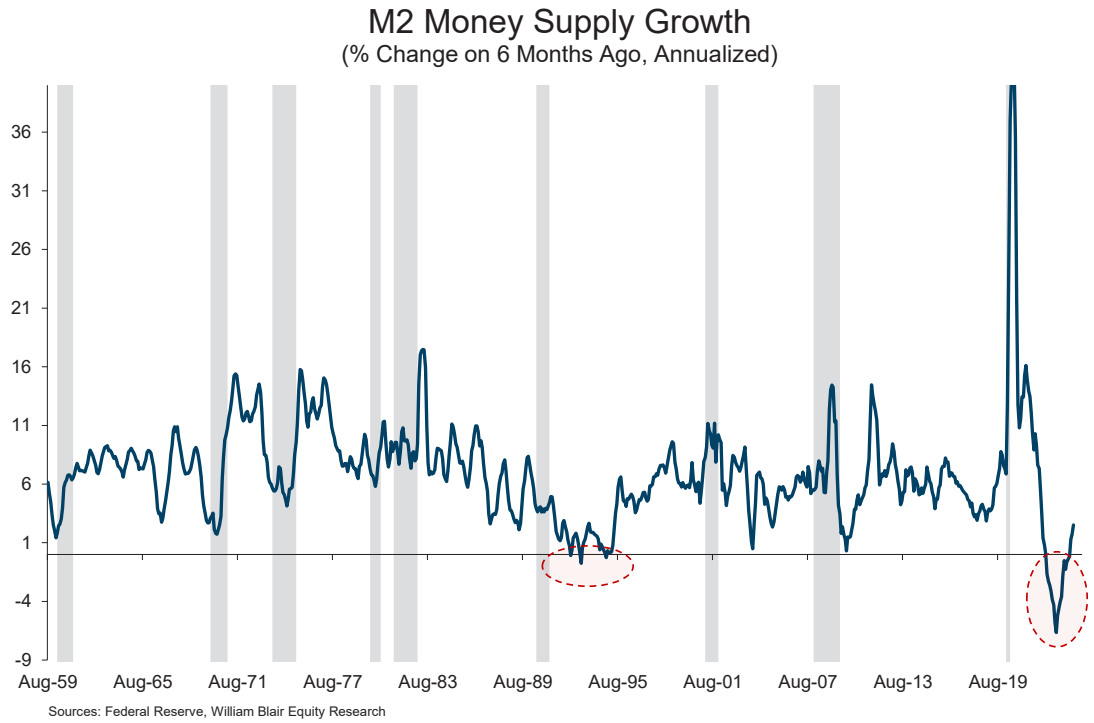
# Economic Scorecard

Rolling monthly heat map, % Change on Year Ago (unless otherwise noted)

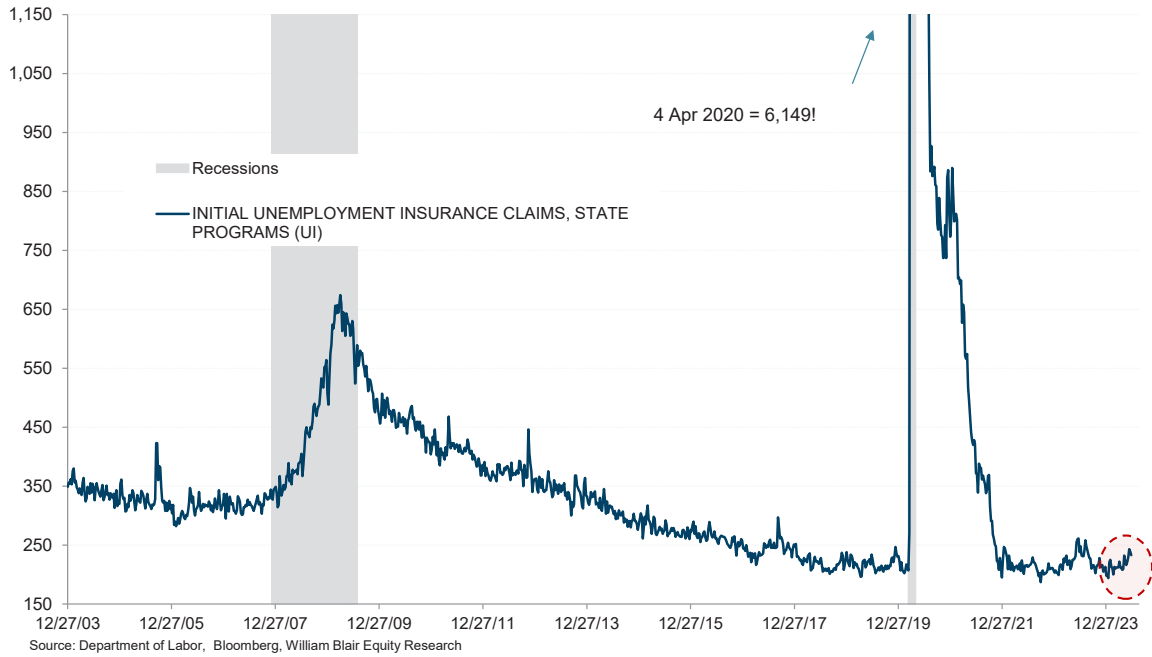
	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
<b>Growth</b>																			
US Leading Indicators	-6.4	-6.1	-7.0	-8.0	-8.3	-8.2	-8.1	-7.8	-7.9	-8.1	-8.1	-7.6	-7.1	-7.1	-6.5	-5.6	-5.5		
US Coincident Indicators	0.8	1.5	1.4	1.4	1.4	1.7	1.8	1.7	1.4	1.3	1.4	1.9	2.1	1.4	1.5	1.5	1.4		
US Lagging Indicators	7.4	6.3	6.1	5.5	4.9	3.7	2.9	2.3	1.8	1.0	1.3	1.3	0.3	1.0	1.0	1.1	1.4		
<b>Consumer</b>																			
Total Retail Sales	5.4	7.7	5.5	2.2	1.6	2.4	1.6	2.9	3	4.2	2.7	4	5.5	0.3	2.1	3.6	2.7	2.3	
Personal Income	4.5	5.8	5.7	5.8	5.7	5.6	5.4	4.9	4.9	4.8	4.3	4.4	4.5	4.6	4.3	4.4	4.5		
Real Disposable Personal Income	-0.9	3.2	3.5	4.4	4.5	5	5.3	4.4	4.1	3.9	3.7	3.9	3.8	2	1.6	1.3	1		
Real Personal Consumption	1.3	2.3	2.3	1.7	1.6	1.8	2.1	2.5	2	2.1	2.1	2.9	3.3	1.9	2.2	2.8	2.6		
Personal Saving Rate (%)	3.4	4.4	4.7	5.2	5.2	5.3	4.8	4.4	4.5	3.9	3.8	3.7	3.6	4.1	3.8	3.6	3.6		
Consumer Confidence (Conference Board)**	109	106	103.4	104	103.7	102.5	110.1	114	108.7	104.3	99.1	101	108	110.9	104.8	103.1	97.5	101.3	
<b>Employment</b>																			
Employment Growth	3.0	3.2	2.8	2.5	2.5	2.5	2.4	2.1	2.1	2.0	1.9	1.9	2.0	1.8	1.8	1.9	1.8	1.8	
ASA Temporary Staffing Index	1.0	-2.1	-6.1	-6.5	-6.8	-5.9	-6.6	-4.7	-4.8	-5.5	-7.5	-7.6	-5.5	-12.2	-9.4	-8.2	-9.3	-10.2	
ISM Employment Index Manufacturing*	50.2	50	48.8	47.8	49.4	50.3	49.1	45	48.6	50.9	47.1	46.1	47.5	47.1	45.9	47.4	48.6	51.1	
ISM Employment Index Services*	49.8	50.4	53.6	51.1	51.2	49.7	52.9	50.9	54.1	52.5	50.4	50.6	43.8	50.5	48	48.5	45.9	47.1	
Unemployment Rate, %	3.5	3.4	3.6	3.5	3.4	3.7	3.6	3.5	3.8	3.8	3.8	3.7	3.7	3.7	3.9	3.8	3.9	4	
Average Hourly Earnings	4.9	4.6	4.7	4.6	4.7	4.6	4.7	4.7	4.5	4.5	4.3	4.3	4.3	4.4	4.3	4.1	4	4.1	
Initial Jobless Claims (avg. wkly. chg. '000s)	208	203	214	224	217	227	252	234	245	217	211	218	206	210	209	215	210	222	
Job Openings	-4.4	-7.3	-15.8	-21.0	-15.9	-18.8	-18.6	-23.7	-7.5	-13.7	-17.5	-16.5	-19.2	-16.1	-10.5	-13.2	-18.6	-13.4	
Layoff Announcements	129.1	440	410.1	319.4	175.9	286.7	25.2	-8.2	266.9	58.2	8.8	-40.8	-20.2	-20	8.8	0.7	-3.3	-20.3	
<b>Housing Market</b>																			
Housing Starts	-23.7	-20.5	-19.4	-20	-25.2	2.8	-8.2	5.8	-14.1	-7.3	-5.2	6.3	17	1.1	10.1	-3.2	-1.2	-19.3	
New Home Sales	-24.2	-19.9	-20	-9.7	8	14.4	22.7	34.9	1.2	24.8	16.6	2.5	3.5	3.9	2.9	6.2	1.6	-16.5	
Existing Home Sales	-33.7	-36.7	-23.1	-22.7	-23.7	-20.9	-19.4	-16.7	-15.2	-15.3	-14.3	-6.7	-5.8	-1.7	-3.3	-3.0	-1.9	-2.8	
Median House Price (Existing Homes)	4.2	-1.3	7.7	4.5	-5.1	-1.9	-3.3	-1.6	2.1	-1.9	-9.3	0.4	-2.2	5.4	-2.9	-0.5	0.2	-0.9	
Existing Homes Inventory (Mths' supply)	3.3	3.3	2.9	2.9	2.9	2.9	2.9	3	3	3.2	3.4	3.5	3.6	3.5	3	3.4	3.4	3.5	
New Homes Inventory (Mths' supply)	8.6	8.3	8.4	8.1	7.5	6.9	7.7	7.3	7.9	7.5	7.9	8.8	8.2	8.3	8.7	8.2	8.1	9.3	
NABH Homebuilder Sentiment*	31	35	42	44	45	50	55	56	50	44	40	34	37	44	48	51	51	45	43
<b>Inflation</b>																			
Consumer Price Index	6.5	6.4	6	5	4.9	4	3	3.2	3.7	3.7	3.2	3.1	3.4	3.1	3.2	3.5	3.4	3.3	
CPI Less-food & energy	5.7	5.6	5.5	5.6	5.5	5.3	4.8	4.7	4.3	4.1	4	4	3.9	3.9	3.8	3.8	3.6	3.4	
Producer Price Index	6.4	5.7	4.7	2.7	2.3	1.1	0.3	1.1	1.9	1.8	1.1	0.8	1.1	1	1.6	1.9	2.3	2.2	
PPI Less-food & energy	5.7	5	4.6	3.3	3.1	2.8	2.5	2.7	2.5	2.3	2.2	1.9	1.8	2	2.2	2.2	2.5	2.3	
PCE Price Index	5.4	5.5	5.2	4.4	4.4	4	3.2	3.3	3.3	3.4	2.9	2.7	2.6	2.5	2.5	2.7	2.7	2.7	
PCE Prices Less-food & energy	4.9	4.9	4.8	4.8	4.8	4.7	4.3	4.2	3.7	3.6	3.4	3.2	2.9	2.9	2.8	2.8	2.8	2.8	
<b>Business Activity - US</b>																			
Industrial Production	0.6	1.5	0.9	0.2	0.4	0.1	-0.4	0.1	-0.1	-0.2	-0.8	-0.2	1.1	-0.8	0.0	-0.2	-0.7	0.4	
New Cap Gds Orders less-aircraft & parts	1	5.6	2.7	1.9	1	3.2	1.4	0.4	0.6	0.5	0.8	1.4	0.8	-0.2	3.2	-0.9	2.9	-0.2	
Business Inventories	14.6	12	10.2	8.2	5.9	4.7	2.9	1.5	0.8	0.5	0.7	0.3	-0.1	0.2	0.3	0.7	0.6	1	
ISM Manufacturing PMI*	48.1	47.4	47.7	46.5	47	46.6	46.4	46.5	47.6	48.6	46.9	46.6	47.1	49.1	47.8	50.3	49.2	48.7	
Markit US Manufacturing PMI*	46.2	46.9	47.3	49.2	50.2	48.4	46.3	49	47.9	49.8	50	49.4	47.9	50.7	52.2	51.9	50	51.3	
ISM Services Index*	49	54.7	55	51.2	52.3	51	53.6	52.8	54.1	53.4	51.9	52.5	50.5	53.4	52.6	51.4	49.4	53.8	
Markit US Services PMI*	44.7	46.8	50.6	52.6	53.6	54.9	54.4	52.3	50.5	50.1	50.6	50.8	51.4	52.5	52.3	51.7	51.3	54.8	
<b>Business Activity - International</b>																			
Germany Manufacturing PMI Markit/BME*	47.1	47.3	46.3	44.7	44.5	43.2	40.6	38.8	39.1	39.6	40.8	42.6	43.3	45.5	42.5	41.9	42.5	45.4	
Japan Manufacturing PMI Jibun Bank*	48.9	48.9	47.7	49.2	49.5	50.6	49.8	49.6	49.6	48.5	48.7	48.3	47.9	48	47.2	48.2	49.6	50.4	
Caixin China Manufacturing PMI*	49	49.2	51.6	50	49.5	50.9	50.5	49.2	51	50.6	49.5	50.7	50.8	50.8	50.9	51.1	51.4	51.7	
China Manufacturing PMI*	47	50.1	52.6	51.9	49.2	48.8	49	49.3	49.7	50.2	49.5	49.4	49	49.2	49.1	50.8	50.4	49.5	
UK Manufacturing PMI Markit/CIPS*	45.3	47	49.3	47.9	47.8	47.1	46.5	45.3	43	44.3	44.8	47.2	46.2	47	47.5	50.3	49.1	51.2	
France Manufacturing PMI Markit*	49.2	50.5	47.4	47.3	45.6	45.7	46	45.1	46	44.2	42.8	42.9	42.1	43.1	47.1	46.2	45.3	46.4	
<b>Currencies***</b>																			
Euro (EUR/USD)	-5.8	-3.3	-5.7	-2.1	4.5	-0.4	4.1	7.6	7.8	7.9	7.0	4.6	3.1	-0.4	2.2	-0.5	-3.2	1.5	
Renmimbi (USD/CNY)	8.5	6.2	9.9	8.4	4.7	6.5	8.3	5.9	5.3	2.6	0.2	0.6	2.9	6.1	3.6	5.1	4.7	1.9	
Yen (USD/Yen)	13.9	13.0	18.4	9.2	5.1	8.3	6.3	6.8	4.7	3.2	2.0	7.3	7.6	12.9	10.1	13.9	15.8	12.9	
Sterling (GBP/USD)	-10.7	-8.4	-10.4	-6.1	-0.1	-1.3	4.3	5.5	9.0	9.2	6.0	4.7	5.4	3.0	5.0	2.3	-0.6	2.4	
Canadian \$ (USD/CAD)	7.3	4.7	7.7	8.1	5.5	7.3	2.9	3.1	2.9	-1.8	1.8	1.1	-2.3	1.0	-0.5	0.2	1.7	0.4	
Mexican Peso (USD/MXN)	-5.0	-8.7	-10.6	-9.2	-11.9	-10.0	-14.9	-17.8	-15.4	-13.5	-8.9	-9.8	-13.0	-8.6	-6.8	-8.2	-4.8	-3.8	
<b>US Equities</b>																			
S&P 500	-19.4	-9.7	-9.2	-9.3	0.9	1.2	17.6	11.1	14.0	19.6	8.3	12.0	24.2	18.9	28.4	27.9	20.8	26.3	
S&P 400 Midcap	-14.5	0.7	-2.3	-6.7	-0.4	-4.3	15.6	8.6	8.8	13.6	-2.7	-0.5	14.4	3.0	11.1	21.3	14.9	23.9	
S&P 600 Smallcap	-17.4	-2.5	-5.1	-10.4	-5.5	-8.9	7.8	3.4	3.6	8.1	-9.3	-5.9	13.9	-0.1	4.5	13.8	10.4	18.1	
Russell 2000	-21.6	-4.8	-7.4	-12.9	-5.1	-6.1	10.6	6.3	3.0	7.2	-10.0	-4.1	15.1	0.8	8.3	17.9	11.6	18.3	

\* Diffusion Index, \*\*1985=100, \*\*\*Currencies - green/red = strengthening/weakening foreign currency vs dollar  
Source: ISM, Federal Reserve, Census Bureau, Bureau of Labor Statistics, Conference Board, Bloomberg, William Blair

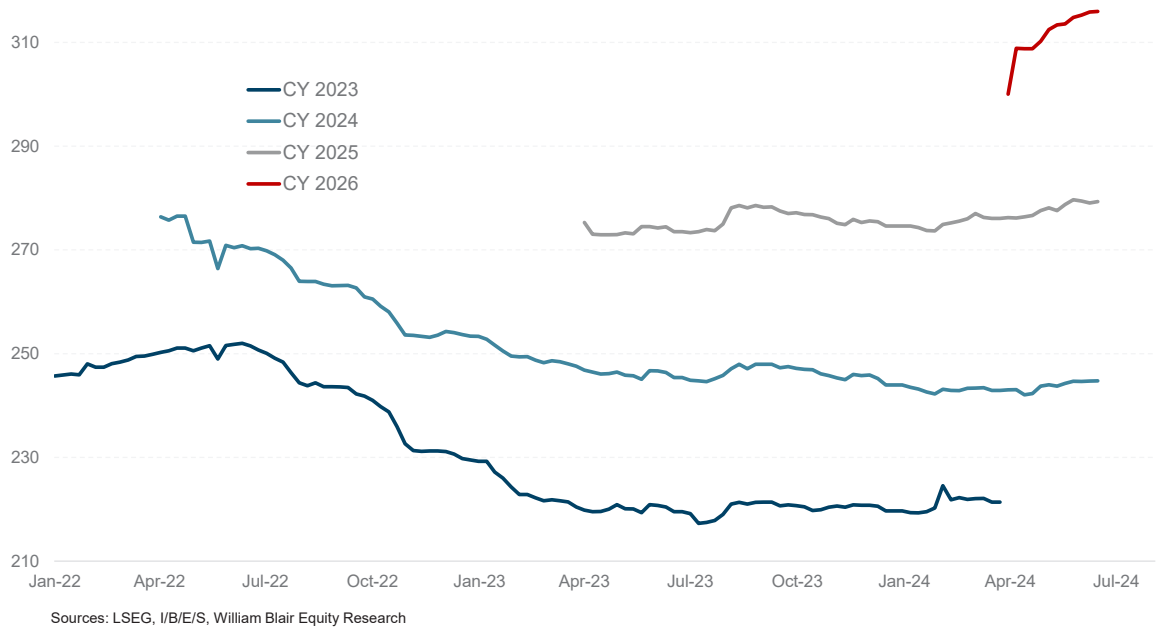
## Other Economic Indicators



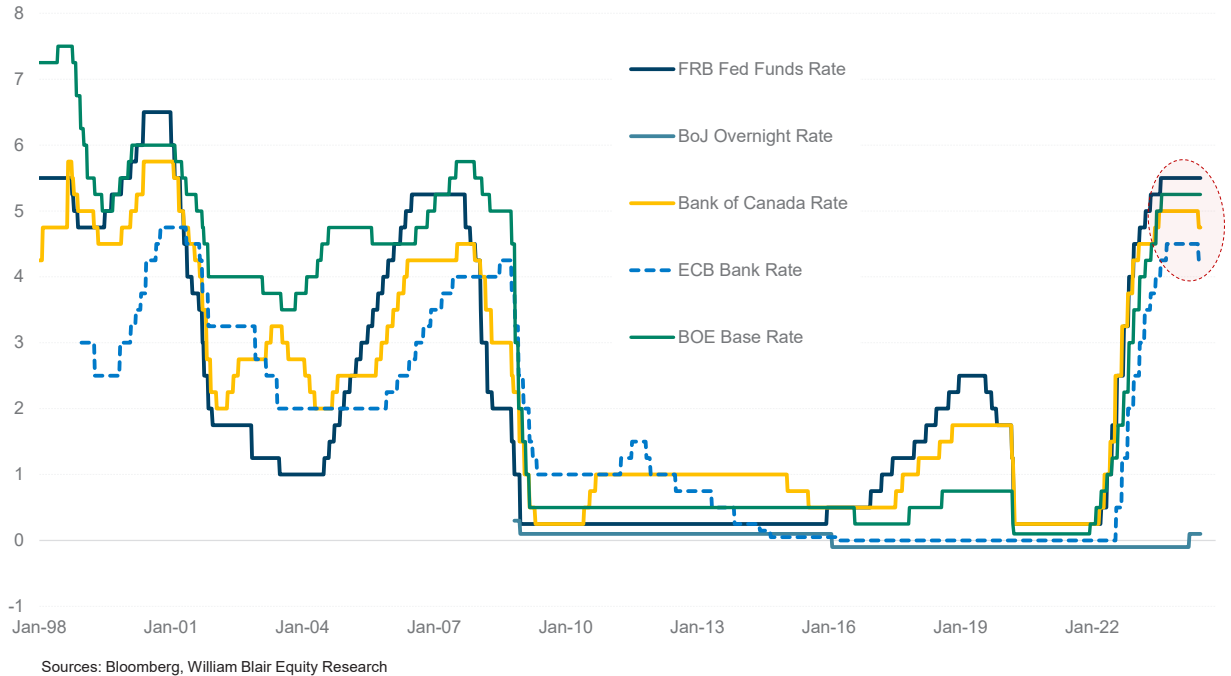
### Initial Jobless Claims (‘000s, Seasonally Adjusted)



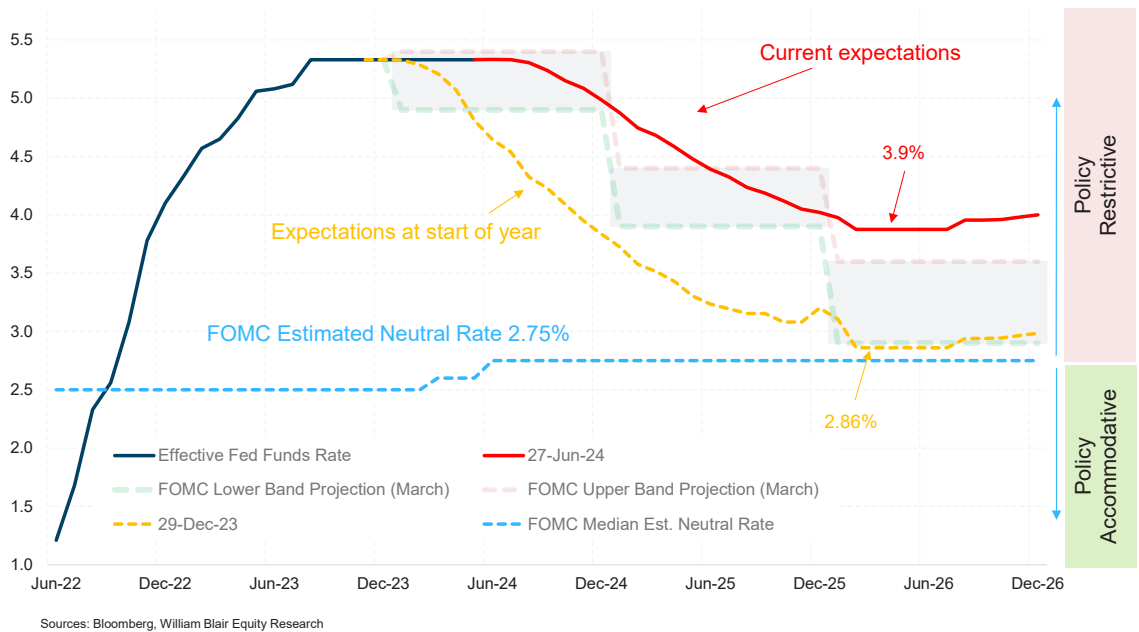
### Progression of Calendar Year S&P 500 EPS Estimates (\$ per share)



### Central Bank Target Short-Term Interest Rates, %



### Fed Funds Rate Futures Market Expectations & FOMC Projections, %





## S&P 500 Sector Performance

Global Industry Classification System	Current Weight* 27-Jun-24	Week Ago 20-Jun-24	Month Ago 24-May-24	Qtr-to-Date 28-Mar-24	Year-to-Date 29-Dec-23
<b>S&amp;P 500 Index</b>	<b>100.00</b>	<b>0.18</b>	<b>3.36</b>	<b>4.35</b>	<b>14.95</b>
<b>S&amp;P 400 MidCap Index</b>		<b>0.07</b>	<b>-1.81</b>	<b>-4.06</b>	<b>5.08</b>
<b>S&amp;P 600 SmallCap Index</b>		<b>0.32</b>	<b>-2.69</b>	<b>-4.43</b>	<b>-2.52</b>
<b>Dow Jones Industrials</b>		<b>0.07</b>	<b>0.24</b>	<b>-1.62</b>	<b>3.91</b>
<b>Nasdaq Composite</b>		<b>0.77</b>	<b>5.54</b>	<b>9.03</b>	<b>18.97</b>
<b>Communication Services</b>	<b>9.70</b>	<b>3.62</b>	<b>5.80</b>	<b>10.91</b>	<b>28.18</b>
Advertising	0.06	-0.77	-7.10	-9.11	-2.89
Broadcasting	0.05	0.10	-3.46	2.14	-3.12
Cable & Satellite	0.40	1.52	0.67	-9.85	-14.82
Integrated Telecommunication Services	0.64	2.35	4.61	1.13	9.77
Interactive Home Entertainment	0.13	1.25	2.55	5.40	0.07
Interactive Media & Services	6.86	4.56	6.91	16.44	37.24
Movies & Entertainment	1.09	0.66	3.11	-1.70	23.62
Publishing & Printing	0.03	3.21	3.67	5.78	12.44
Wireless Telecommunication Svcs	0.43	0.55	6.88	8.70	10.66
<b>Consumer Discretionary</b>	<b>10.46</b>	<b>2.88</b>	<b>5.94</b>	<b>1.84</b>	<b>6.68</b>
Apparel Retail	0.36	-0.14	6.64	6.17	14.11
Apparel & Accessories & Luxury Goods	0.11	-1.06	1.06	-18.08	-29.31
Auto Parts & Equipment	0.05	-5.16	-14.82	-11.93	-20.03
Automobile Manufacturers	1.52	7.04	8.80	9.49	-16.21
Automobile Retail	0.26	-1.55	6.39	-7.26	10.82
Broadline Retail	4.37	6.17	9.21	9.42	29.69
Casinos & Gaming	0.14	0.55	3.05	-11.99	-8.42
Computer & Electronics Retail	0.04	-8.72	17.93	2.79	7.72
Consumer Electronics	0.07	1.28	-1.10	8.83	26.04
Distributors	0.09	-3.58	-7.86	-18.13	-11.27
Footwear	0.29	-0.99	1.54	1.27	-10.96
Home Furnishings	0.01	-2.97	-7.20	-17.45	4.40
Home Improvement Retail	0.97	-3.39	4.24	-11.74	-1.40
Homebuilding	0.27	0.17	-2.32	-11.42	0.22
Hotels, Resorts & Cruise Lines	0.86	1.87	6.47	2.60	10.66
Household Appliances	0.01	12.59	16.60	-15.67	-17.15
Leisure Products	0.02	-4.06	-4.11	2.90	13.91
Restaurants	0.91	-0.22	-0.18	-6.03	-4.65
Other Specialty Retail	0.12	-3.00	-5.76	-13.09	-0.57
<b>Consumer Staples</b>	<b>6.30</b>	<b>-0.18</b>	<b>0.03</b>	<b>1.16</b>	<b>8.05</b>
Agricultural Products	0.09	0.90	1.36	-0.86	-9.79
Brewers	0.02	0.00	-5.36	-24.71	-17.29
Hypermarkets	2.18	-0.52	3.17	8.24	22.28
Distillers & Vintners	0.13	-2.21	1.56	-7.62	-0.44
Drug Retail	0.02	-23.19	-23.95	-43.80	-53.31
Food Distributors	0.08	-0.39	-0.66	-10.73	-0.90
Food Retail	0.07	-1.81	-6.83	-13.58	8.01
Household Products	1.18	-0.50	1.73	3.35	14.23
Packaged Foods & Meats	0.65	-0.17	-5.14	-7.39	-5.61
Personal Products	0.13	-1.98	-8.01	-20.80	-18.89
Soft Drinks	1.26	1.37	-1.84	-0.76	1.90
Tobacco	0.49	0.28	1.07	8.54	9.53
<b>Energy</b>	<b>3.58</b>	<b>1.56</b>	<b>0.18</b>	<b>-3.59</b>	<b>8.64</b>
Integrated Oil & Gas	1.80	1.70	0.57	-1.10	10.69
Oil & Gas Equipment & Services	0.35	3.07	0.71	-10.48	-6.54
Oil & Gas Exploration & Production	0.79	1.90	-0.96	-5.47	4.12
Oil & Gas Refining & Marketing & Transportation	0.36	0.50	-3.33	-13.08	12.76
Oil & Gas Storage & Transportation	0.36	0.04	4.44	6.96	20.87

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<b>Financials</b>	<b>11.97</b>	<b>-0.91</b>	<b>-1.34</b>	<b>-2.81</b>	<b>8.83</b>
Asset Management & Custody Banks	0.98	-0.82	-1.06	-5.15	-0.85
Consumer Finance	0.55	-1.66	-2.73	-2.80	14.90
Diversified Banks	2.83	-0.53	-1.89	-1.09	13.98
Financial Exchanges & Data	1.01	0.57	-1.19	-1.28	-1.16
Insurance Brokers	0.58	-1.46	2.67	-1.50	10.50
Investment Banking & Brokerage	0.95	-1.06	-1.94	3.05	8.67
Life & Health Insurance	0.35	-0.26	-0.98	-2.91	5.45
Multi-line Insurance	0.10	0.05	-3.38	-5.02	9.03
Multi-Sector Holdings	1.12	-0.29	0.13	-2.99	14.38
Property & Casualty Insurance	0.94	-1.03	0.00	-1.23	20.97
Regional Banks	0.27	1.77	-2.21	-4.00	2.51
Reinsurance	0.03	0.05	-2.88	-4.28	7.61
Transaction & Payment Processing	2.24	-2.51	-2.60	-7.20	2.89
<b>Health Care</b>	<b>11.70</b>	<b>0.01</b>	<b>1.24</b>	<b>-1.30</b>	<b>7.00</b>
Biotechnology	1.84	-0.71	3.26	2.11	7.56
Health Care Distributors	0.32	-2.68	3.89	0.29	14.74
Health Care Equipment	2.22	-0.26	0.72	-3.53	6.09
Health Care Facilities	0.21	1.46	7.85	3.22	26.65
Health Care Services	0.45	-2.17	1.99	-14.54	-7.02
Health Care Supplies	0.09	-2.65	-7.95	-21.36	-13.31
Life Sciences Tools & Services	1.22	-0.65	-5.94	-6.13	1.07
Managed Health Care	1.40	0.35	-2.97	-2.01	-5.69
Pharmaceuticals	3.95	1.14	4.59	2.66	16.90
<b>Industrials</b>	<b>8.08</b>	<b>-0.82</b>	<b>-1.96</b>	<b>-3.34</b>	<b>6.88</b>
Aerospace & Defense	1.83	-1.26	-2.55	3.25	5.47
Agricultural & Farm Machinery	0.22	-1.24	0.49	-8.27	-5.77
Air Freight & Logistics	0.42	4.84	5.49	-3.03	-2.91
Building Products	0.48	-1.55	-5.53	-0.41	13.54
Construction & Engineering	0.08	-2.52	-5.78	2.79	23.75
Construction Machinery & Heavy Trucks	0.59	-0.96	-5.38	-9.40	11.97
Data Processing & Outsourced Services	0.05	-0.37	-0.66	-2.76	-3.18
Diversified Support Svcs	0.26	1.02	2.95	-0.58	15.21
Electrical Components & Equipment	0.59	-1.37	-5.97	-3.65	13.35
Environmental & Facilities Services	0.41	0.96	1.95	2.23	18.03
Human Resource & Employment Services	0.32	-3.88	-5.83	-8.13	-4.41
Industrial Conglomerates	0.41	0.51	6.23	6.58	21.54
Industrial Machinery	0.76	-1.70	-3.79	-8.32	2.63
Passenger Airlines	0.15	-0.84	-5.23	-3.41	8.83
Railroads	0.52	-1.93	-4.07	-11.34	-8.37
Research & Consulting Svcs	0.22	0.32	2.00	2.00	10.68
Trading Companies & Distributors	0.26	-2.18	-6.13	-14.19	5.19
<b>Information Technology</b>	<b>32.16</b>	<b>-0.85</b>	<b>8.15</b>	<b>14.10</b>	<b>28.34</b>
Application Software	2.23	2.79	3.90	-2.08	0.62
Communications Equipment	0.81	1.52	5.39	2.35	8.83
Electronic Components	0.24	-1.87	0.93	17.03	33.50
Electronic Equipment & Instruments	0.15	0.58	-4.89	-9.68	-6.22
Electronic Manufacturing Services	0.12	-1.70	-3.46	-3.61	0.11
Internet Software & Services	0.11	0.46	0.93	-10.72	-17.90
IT Consulting & Services	0.89	-1.19	0.42	-11.65	-7.43
Semiconductor Equipment	1.00	-1.93	5.17	12.13	36.58
Semiconductors	10.59	-5.17	10.32	23.15	74.06
Systems Software	8.72	1.80	5.66	7.69	20.23
Technology Distributors	0.06	-3.39	-3.03	-12.40	-1.43
Technology Hardware, Storage & Peripherals	7.25	1.91	12.35	23.79	11.09
<b>Materials</b>	<b>2.11</b>	<b>-1.02</b>	<b>-3.17</b>	<b>-4.88</b>	<b>3.14</b>
Commodity Chemicals	0.14	-1.08	-6.18	-7.69	-1.79
Construction Materials	0.14	0.06	-5.77	-10.81	8.51
Copper	0.15	-2.11	-6.23	2.77	13.51
Fertilizers & Agricultural Chemicals	0.14	2.91	-4.05	-8.31	0.51
Gold	0.10	-2.27	-0.33	16.74	1.09
Industrial Gases	0.56	-1.16	0.70	-2.54	4.58

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Metal & Glass Containers	0.04	1.08	-11.32	-9.32	6.19
Paper Packaging	0.16	-2.91	-3.09	1.86	12.28
Specialty Chemicals	0.56	-1.19	-3.18	-6.79	-0.21
Steel	0.12	-1.06	-8.55	-19.86	-6.08
<b>Real Estate</b>	<b>2.08</b>	<b>0.34</b>	<b>2.52</b>	<b>-3.42</b>	<b>-4.73</b>
Data Center REITs	0.25	-0.70	0.50	-4.43	-0.54
Health Care REITs	0.24	0.51	2.88	10.30	8.85
Hotel & Resort REITs	0.03	-0.22	-1.53	-12.86	-7.45
Industrial REITs	0.22	2.00	6.29	-14.49	-16.47
Multi-Family Residential REITs	0.00	0.44	5.13	9.74	9.24
Office REITs	0.02	-0.37	1.92	-6.72	-7.87
Real Estate Service	0.12	-0.03	-7.32	-17.15	-10.67
Retail REITs	0.27	0.65	1.51	-3.04	-3.39
Self-Storage REITs	0.17	-1.68	6.86	1.68	-4.74
Single-Family Residential REITs	0.17	-1.68	6.86	1.68	-4.74
Telecom Tower REITs	0.32	1.06	3.36	-4.25	-13.17
Timber REITs	0.04	-1.47	-6.56	-21.42	-18.84
<b>Utilities</b>	<b>2.20</b>	<b>-0.52</b>	<b>-3.17</b>	<b>4.99</b>	<b>8.76</b>
Electric Utilities	1.44	-0.65	-3.28	6.00	11.49
Gas Utilities	0.04	-0.53	3.50	-1.95	0.56
Independent Power Producers & Energy Traders	0.09	-0.35	-12.82	10.41	2.84
Water Utilities	0.05	-0.76	0.81	5.77	-2.06
Multi-Utilities	0.57	-0.20	-2.00	2.06	3.62

\*Current Weight is market cap based, based on calculations by William Blair Intl. Ltd.

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DOW JONES: 39164.10

S&P 500: 5482.87

NASDAQ: 17858.70

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