

Equity Research  
Macroeconomics

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# Economics Weekly

## BNPL a Growing Credit Concern?



The U.S. consumer today, in aggregate, is in a decent place. Balance sheets are relatively healthy, the unemployment rate at 4.3% is at the level the Fed and most others estimate the NAIRU (non-accelerating inflation rate of unemployment) to be, and while inflationary expectations are high by some gauges, those expectations are anticipated to moderate over the coming year as the impact from tariffs dissipates and slower employment helps inflation drift back to about 2.5% later next year. Meanwhile, consumer spending has moderated, but at least part of the slowdown is related to the combination of reduced immigration and lower labor force growth (areas the Fed can do little about). Yet, nothing is ever perfect and scratching a little below the surface always reveals potential areas of emerging stress. One such area is the health of the lower-income consumer, and one increasing area of concern that keeps cropping up in our discussions with investors is the growing use of buy now, pay later (BNPL) credit facilities. **In this *Economics Weekly*, we discuss what these are and how much of an opportunity or threat they pose for the U.S. consumer today.**

## What Are BNPLs?

The IPO of the \$17 billion BNPL company Klarna last week seems to have captured the attention of many investors who are increasingly interested in the potential impact of these so-called “phantom” lenders. It is a growing field, with other large BNPLs including Affirm, Afterpay, PayPal, Sezzle, and Zip. Some more traditional banks also have been starting to get in on the act.

So what exactly are BNPLs? They are also often referred to as “pay-in-four” companies, or entities that offer consumers easy access to shorter-term (usually four payments) installment loans for everyday purchases of even some of the lowest-ticket items. While they are often embedded in merchant websites or apps, these services are also available through standalone apps and lender-issued physical or virtual cards.

The facility allows consumers to split their purchases into smaller, equal installments paid over a short period, often interest-free. Larger purchases are usually financed monthly and charge interest. The first installment is normally due at checkout, and the rest at equal intervals thereafter, with many lenders assessing a late fee for missed payments.

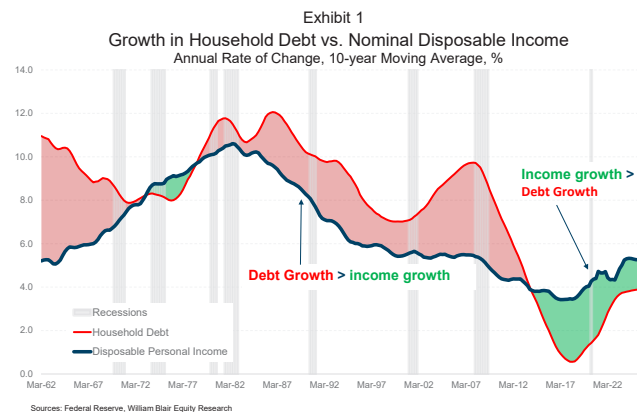
Like more conventional lenders, BNPL providers charge merchants a transaction fee for payment processing and credit services. And they also finance themselves by

securitizing receivables and using partner banks to originate loans, moving those assets off their balance sheets. Retailers also like them because they help both increase basket sizes and reduce incidences of cart abandonment.

While credit card use remains ubiquitous, these providers are filling a gap that has emerged because of what some consumers might view as high qualification hurdles, high APRs, and high fees required by the traditional credit card companies.

## How Large Is the Market?

In more recent discussions with clients, one of the first questions that now pops up whenever we share exhibit 1—which we believe effectively highlights that the expansion in consumer spending over the last decade has not been credit-driven, but income-driven—is: does this data include BNPLs?



The answer, unfortunately, is yes, and no.

The reality is that while there are a number of BNPL companies, only a few are public, and many choose not to report their data to the various entities that track consumer credit.

Hence the Fed’s data, for example, includes origination data from some companies such as Affirm but not others. The Consumer Financial and Protection Bureau (CFPB) in a January 2025 [study](#) of the BNPLs stated that “the loans have not appeared in credit records in large enough volumes for external observers to measure key statistics relative to consumers in this market.”

The latest data from the CFPB estimates the total volume of these loans in 2022 as \$33.8 billion (exhibit 2), or a tiny sliver of \$5 trillion in total nonmortgage consumer debt or \$1.2 trillion in consumer credit debt (exhibit 3).

Exhibit 2  
Annual "Buy Now, Pay Later" Loan Volume\*  
(Billions of USD)

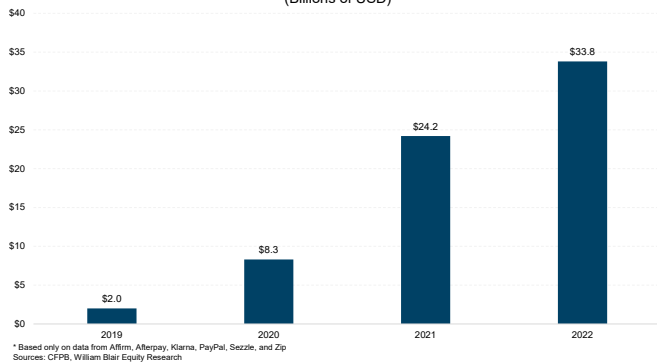
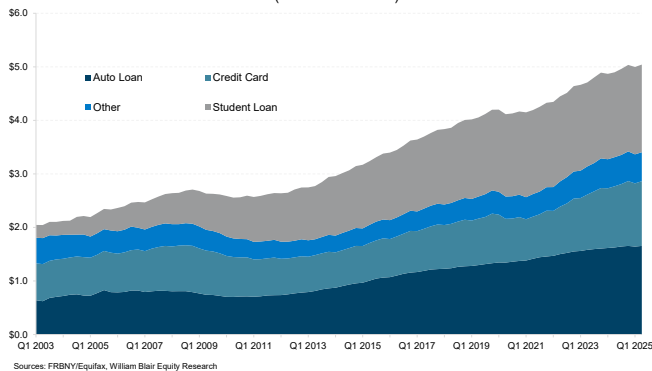


Exhibit 3  
Household Non-Housing Debt Balance  
(Trillions of Dollars)

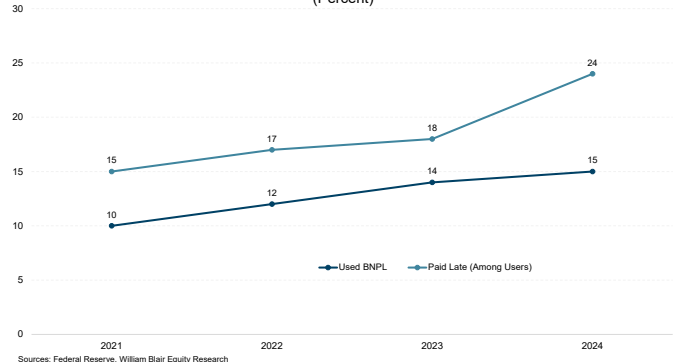


## Who Is the Most Exposed?

The rise in online commerce during the COVID pandemic really helped catalyze adoption, and activity has grown since then. A [survey](#) on the economic well-being of U.S. households conducted in October 2024 by the Federal Reserve found that 15% of people used BNPL in the prior 12 months, up from 10% in 2021, when the survey first asked about BNPL.

The same survey found that the two top reasons for taking out BNPL loans were to spread out payments (87%) and convenience (82%). Over half (58%) of those who used BNPL said they used the service because it was the only way they could afford the purchase. Nearly one-fourth of BNPL users were late making a payment in 2024 (exhibit 4), a sharp increase from the prior year; policies for fees for late payments vary by company, but overall 57% of those who missed a payment deadline (13% of those who used BNPL) said they were charged extra for being late.

Exhibit 4  
Use of Buy Now, Pay Later Among Adults  
(Percent)

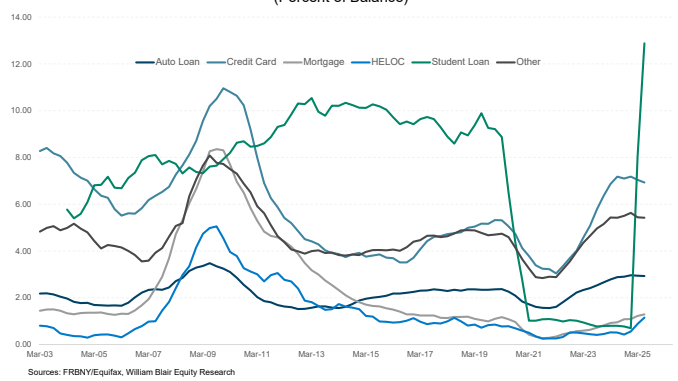


Those using these as credit solutions are largely younger and lower-income consumers, who may not be plugged into the traditional bank networks. This places them at risk of accumulating debt that they cannot afford.

The CFPB found that consumers in the age range of 18-24 are almost twice as likely than average (37%) to finance a purchase with BNPL, and for borrowers in this age group, BNPL purchases represent an average of 28% of total consumer financial debt in the months in which they borrow.

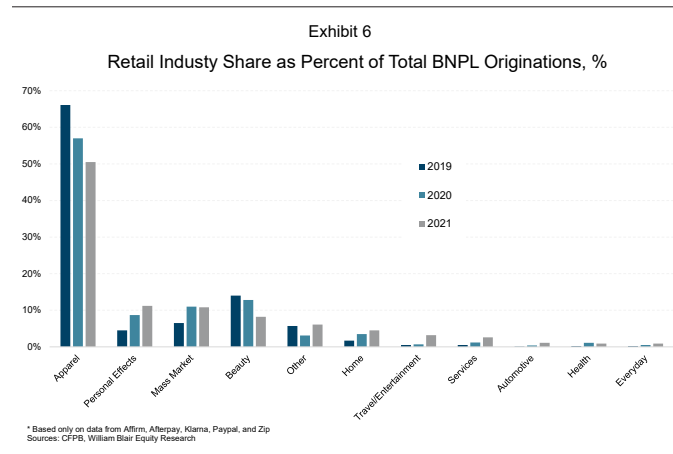
Consumers relying on BNPL also tend to hold other forms of unsecured, nonrevolving debt like student loans. Starting in February 2025, new federal student loan delinquencies were reported to credit bureaus for the first time since March 2020, when the CARES Act placed student loans into forbearance. The pause was effectively lifted in October 2023 and so federal loan delinquencies, which are not reported until 90 days past due, are just showing up in credit reports (exhibit 5).

Exhibit 5  
Transition into Serious Delinquency (90+ Days) by Loan Type  
(Percent of Balance)



## What Are They Spending It On?

The most recent aggregated data shows spending is concentrated in discretionary categories like apparel, though the mix is broadening. Usage for essentials, for example, has climbed quickly. And the “everyday” bucket (groceries, utilities, etc.) rose from \$3.2 million in 2019 to \$229.2 million in 2021 (exhibit 6).



## Conclusion

BNPL is an increasingly attractive source of credit for some consumer cohorts today. Right now, those consumers are mostly in the 18- to 24-year-old bracket. They are attracted by the ease with which they can borrow, which is often interest free, and the lower lending standards. Data on the BNPLs is unfortunately still not great as many of these companies are unregulated and prefer not to divulge their origination data. As a result, consumer credit data from the likes of the Fed is incomplete, with some companies reporting and many others not included.

At the moment, this probably does not matter too much from a macro perspective, because the volume of loans in aggregate is still estimated to be quite small relative to the aggregate nonmortgage consumer credit.

On the regulatory front, the CFPB’s 2024 move to classify BNPL lenders as credit card providers was withdrawn in 2025, leaving no uniform federal standard. However, credit visibility is rising as some lenders furnish data and FICO has been rolling out BNPL-inclusive scores—raising the stakes for on-time repayment. Given that this is a rapidly growing area of credit creation, and the loans are for the moment concentrated in lower-income and younger households, many of whom are under a little more pressure today, this area warrants tracking.

## Highlights in the Week Ahead

Date	Time (ET)	Indicator	Last	Consensus	WB Estimate	Actual
24 Sep	10:00 a.m.	New Home Sales (Aug)	-0.6%	0.5%	0.2%	
25 Sep	8:30 a.m.	GDP (Q2 Third Revision)	3.3%	3.3%	3.3%	
25 Sep	8:30 a.m.	Durable Goods Orders (Aug)	-2.8%	-0.8%	-0.1%	
		Orders Less-Transportation	1.0%	-0.2%	0.1%	
26 Sep	8:30 a.m.	Personal Income (Aug)	0.4%	0.3%	0.3%	
		Personal Spending	0.5%	0.4%	0.5%	

Sources: Bloomberg, William Blair Equity Research

## Indicator of the Week: Personal Income and Spending

### Personal Consumption Implicit Price Deflator Excluding Food & Energy



Source: Bureau of Economic Analysis, William Blair Equity Research

## Economic Scorecard

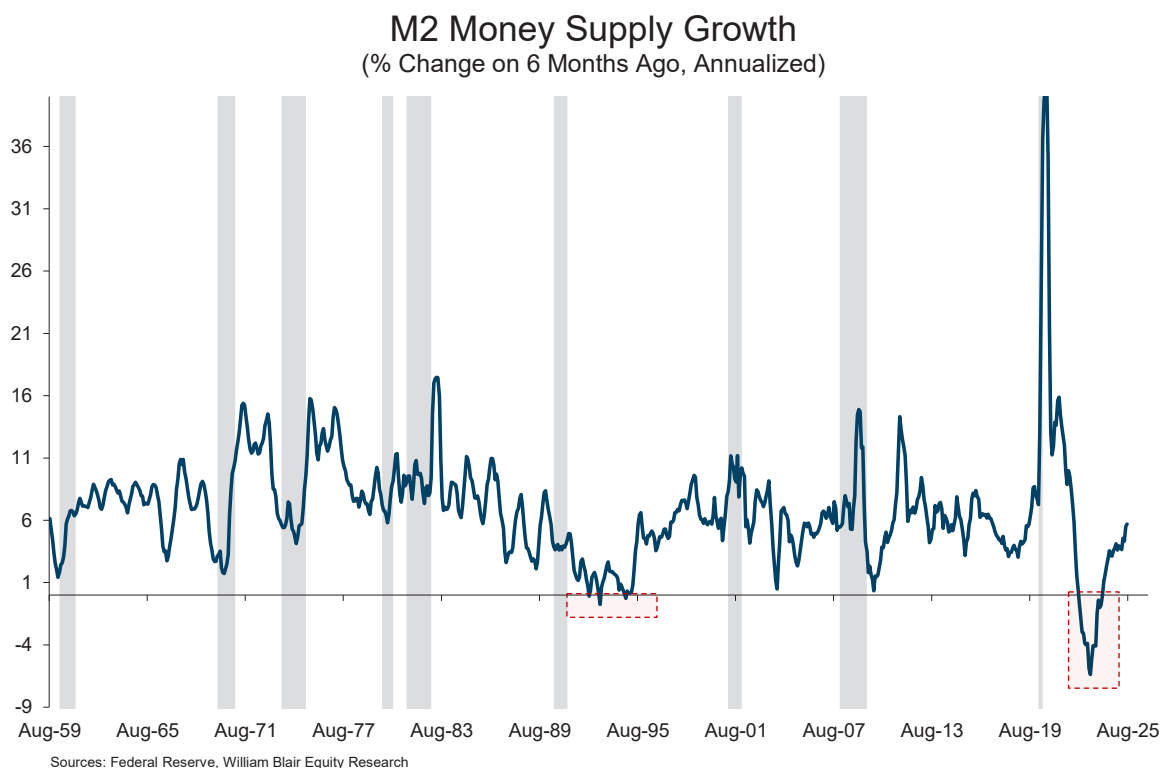
Rolling monthly heat map, % Change on Year Ago (unless otherwise noted)

	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25
<b>Growth</b>																			
US Leading Indicators	-5.5	-5.4	-5.0	-4.5	-4.7	-4.6	-4.3	-3.7	-3.0	-3.0	-2.7	-3.0	-3.6	-4.3	-3.9	-4.0	-3.6		
US Coincident Indicators	2.1	1.7	1.9	2.1	1.7	1.7	1.6	1.6	1.3	1.7	1.5	1.5	1.9	2.0	1.5	1.4	1.5		
US Lagging Indicators	1.2	1.4	1.2	1.1	1.0	0.8	0.3	0.1	0.0	0.1	-0.1	0.1	-0.1	0.0	0.8	0.7	0.8		
<b>Consumer</b>																			
Total Retail Sales	3.4	2.6	2.8	2.3	3	1.8	2	3.1	3.9	4.6	4.6	3.9	5.1	5	3.4	4.4	4.1	5.0	
Personal Income	5.9	5.7	5.5	5.4	5.3	5	4.8	5.2	5.1	5.2	4.3	4.6	4.7	5.3	4.6	4.7	5		
Real Disposable Personal Income	3.1	2.8	2.8	2.7	2.6	2.4	2.4	2.5	2.3	2.2	1.3	1.5	1.9	2.7	1.7	1.7	2		
Real Personal Consumption	2.7	2.4	2.8	2.9	2.9	2.9	3.2	3.1	3.1	3.1	2.9	2.5	2.8	2.9	2.2	2.2	2.1		
Personal Saving Rate (%)	5.2	5.1	4.9	4.8	4.3	4.2	3.8	4.1	3.9	3.5	4.2	4.4	4.4	5	4.5	4.4	4.4		
Consumer Confidence (Conference Board)**	103.1	97.5	101.3	97.8	101.9	105.6	99.2	109.6	112.8	109.5	105.3	100.1	93.9	85.7	98.4	95.2	98.7	97.4	
<b>Employment</b>																			
Employment Growth	1.5	1.5	1.4	1.3	1.3	1.2	1.3	1.2	1.3	1.3	1.3	1.2	1.1	1.1	1.0	1.0	1.0	0.9	
ASA Temporary Staffing Index	-8.2	-9.3	-10.2	-9.9	-12.5	-12.2	-12.0	-9.5	-6.6	-21.0	-8.2	-7.5	-8.7	-6.4	-5.8	-5.3	-0.8	-0.9	
ISM Employment Index Manufacturing*	47.5	48.2	50.4	48.4	43.6	45.8	44.6	44.8	48.1	45.4	50.3	47.6	44.7	46.5	46.8	45	43.4	43.8	
ISM Employment Index Services*	48.5	46.6	47.5	46.7	51	49.6	48.2	52.2	50.9	51.3	52.3	53.9	46.2	49	50.7	47.2	46.4	46.5	
Unemployment Rate, %	3.9	3.9	4	4.1	4.2	4.2	4.1	4.1	4.2	4.1	4	4.1	4.2	4.2	4.2	4.1	4.2	4.3	
Average Hourly Earnings	4.2	4	4.1	3.9	3.6	4	3.9	4.1	4.2	4	3.9	3.9	3.9	3.8	3.8	3.7	3.9	3.7	
Initial Jobless Claims (avg. wkly. chg. '000s)	216	210	222	237	237	230	225	236	219	222	218	227	223	226	235	241	221	231	
Jop Openings	-15.5	-23.7	-15.1	-19.4	-12.8	-17.6	-23.5	-10.9	-7.3	-12.5	-8.3	-11.4	-11.0	-2.9	-2.4	-0.7	-4.3	-6.1	
Layoff Announcements	0.7	-3.3	-20.3	19.8	9.2	1	53.4	50.9	26.8	11.4	-39.5	103.2	204.8	62.7	47	-1.6	139.8	13.3	
<b>Housing Market</b>																			
Housing Starts	-4.7	2.3	-16.9	-6.6	-13.4	5.6	-1	-1.2	-14.5	-0.5	-1.7	-4	3.3	0.9	-2.6	4.1	13	-6	
New Home Sales	6.3	8.1	-10	-0.4	1.1	7.4	5.3	-8.8	10.7	11.7	-2.8	-2.4	-4.6	-1.8	-5.3	-2.2	-8.2		
Existing Home Sales	-3.3	-2.6	-3.1	-5.1	-2.5	-3.7	-3.0	3.1	6.7	9.7	2.3	-0.9	-2.4	-2.0	-0.5	0.0	0.8		
Median House Price (Existing Homes)	-0.6	-0.5	-1.6	-0.9	-1.6	-8	-1.2	2.1	-7.4	1.1	-0.2	-1.4	-5.4	-0.4	2.1	-1.6	-5.9		
Existing Homes Inventory (Mths' supply)	3.5	3.5	3.5	3.8	3.7	3.9	4	3.9	3.8	3.7	3.9	3.8	4.2	4.3	4.3	4.4	4.3		
New Homes Inventory (Mths' supply)	8.1	7.7	8.5	8.4	7.9	8.2	7.9	9.3	8.7	8.2	9	9.3	9.2	8.5	9.6	9.2	9.2		
NAHB Homebuilder Sentiment*	51	51	45	43	41	39	41	43	46	46	47	42	39	40	34	32	33	32	32
<b>Inflation</b>																			
Consumer Price Index	3.5	3.4	3.3	3	2.9	2.5	2.4	2.6	2.7	2.9	3	2.8	2.4	2.3	2.4	2.7	2.7	2.9	
CPI Less-food & energy	3.8	3.6	3.4	3.3	3.2	3.2	3.3	3.3	3.3	3.2	3.3	3.1	2.8	2.8	2.8	2.9	3.1	3.1	
Producer Price Index	2.0	2.3	2.5	2.9	2.4	2.1	2.1	2.8	2.9	3.5	3.8	3.4	3.2	2.4	2.7	2.4	3.1	2.6	
PPI Less-food & energy	2.3	2.5	2.7	3.3	2.6	2.8	3.3	3.6	3.4	3.7	3.9	3.7	3.8	3.1	3.2	2.6	3.4	2.8	
PCE Price Index	2.8	2.7	2.6	2.4	2.5	2.3	2.1	2.3	2.5	2.6	2.6	2.7	2.3	2.2	2.4	2.6	2.6		
PCE Prices Less-food & energy	3.0	2.9	2.7	2.6	2.7	2.7	2.7	2.8	2.8	2.9	2.7	2.9	2.7	2.6	2.7	2.8	2.9		
<b>Business Activity - US</b>																			
Industrial Production	-0.3	-0.8	0.0	0.9	-0.5	-0.1	-0.7	-0.4	-0.9	0.4	1.4	1.1	1.0	1.2	0.7	0.9	1.3	0.9	
New Cap Gds Orders less-aircraft & parts	-1.5	2.1	-2.8	-4	-0.6	-1.8	0.5	0.2	-1.1	1.9	3.3	-0.9	2.2	0.5	2.2	4.5	4.6		
Business Inventories	0.3	0.2	0.6	1.2	1.6	2.1	2.1	1.9	2.2	2.6	1.9	2.5	2.3	2.5	2.2	1.7	1.6	1.5	
ISM Manufacturing PMI*	49.8	48.8	48.5	48.3	47	47.5	47.5	46.9	48.4	49.2	50.9	50.3	49	48.7	48.5	49	48	48.7	
Markit US Manufacturing PMI*	51.9	50	51.3	51.6	49.6	47.9	47.3	48.5	49.7	49.4	51.2	52.7	50.2	50.2	52	52.9	49.8	53	
ISM Services Index*	51.3	49.6	53.5	49.2	51.4	51.6	54.5	55.8	52.5	54	52.8	53.5	50.8	51.6	49.9	50.8	50.1	52	
Markit US Services PMI*	51.7	51.3	54.8	55.3	55	55.7	55.2	55	56.1	56.8	52.9	51	54.4	50.8	53.7	52.9	55.7	54.5	
<b>Business Activity - International</b>																			
Germany Manufacturing PMI Markit/BME*	41.9	42.5	45.4	43.5	43.2	42.4	40.6	43	43	42.5	45	46.5	48.3	48.4	48.3	49	49.1	49.8	
Japan Manufacturing PMI Jibun Bank*	48.2	49.6	50.4	50	49.1	49.8	49.7	49.2	49	49.6	48.7	49	48.4	48.7	49.4	50.1	48.9	49.7	
Caixin China Manufacturing PMI*	51.1	51.4	51.7	51.8	49.8	50.4	49.3	50.3	51.5	50.5	50.1	50.8	51.2	50.4	48.3	50.4	49.5	50.5	
China Manufacturing PMI*	50.8	50.4	49.5	49.5	49.4	49.1	49.8	50.1	50.3	50.1	49.1	50.2	50.5	49	49.5	49.7	49.3	49.4	
UK Manufacturing PMI Markit/CIPS*	50.3	49.1	51.2	50.9	52.1	52.5	51.5	49.9	48	47	48.3	46.9	44.9	45.4	46.4	47.7	48	47	
France Manufacturing PMI Markit*	46.2	45.3	46.4	45.4	44	43.9	44.6	44.5	43.1	41.9	45	45.8	48.5	48.7	49.8	48.1	48.2	50.4	
<b>Currencies***</b>																			
Euro (EUR/USD)	-0.5	-3.2	1.5	-1.8	-1.6	1.9	5.3	2.9	-2.9	-6.2	-4.2	-4.0	0.2	6.2	4.6	10.0	5.4	5.8	
Renminbi (USD/CNY)	5.1	4.7	1.9	0.2	1.2	-2.3	-3.8	-2.7	1.6	2.8	1.1	1.2	0.5	0.4	-0.6	-1.4	-0.4	0.6	
Yen (USD/Yen)	13.9	15.8	12.9	11.5	5.4	0.4	-3.8	0.2	1.1	11.5	5.6	0.4	-0.9	-9.3	-8.4	-10.5	0.5	0.6	
Sterling (GBP/USD)	2.3	-0.6	2.4	-0.5	0.2	3.6	9.6	6.1	0.9	-1.7	-2.3	-0.4	2.3	6.7	5.6	8.6	2.7	2.9	
Canadian \$ (USD/CAD)	0.2	1.7	0.4	3.3	4.7	-0.1	-0.4	0.4	3.3	8.6	8.2	6.5	6.3	0.2	0.8	-0.5	0.3	1.8	
Mexican Peso (USD/MXN)	-8.2	-4.8	-3.8	7.0	11.2	15.8	13.0	11.0	17.2	22.7	20.1	20.5	23.6	14.4	14.3	2.3	1.4	-5.4	
<b>US Equities</b>																			
S&P 500	27.9	20.8	26.3	22.7	20.3	25.3	34.4	36.0	32.1	23.3	24.7	16.8	6.8	10.6	12.0	13.6	14.8	14.4	
S&P 400 Midcap	21.3	14.9	23.9	11.7	13.5	16.9	24.8	30.9	31.3	12.2	18.6	7.1	-4.2	-0.3	0.6	5.9	1.7	5.3	
S&P 600 Smallcap	13.8	10.4	18.1	6.6	12.0	15.1	23.5	27.6	30.9	6.8	14.5	4.5	-5.0	-3.6	-3.4	2.8	-6.3	1.8	
Russell 2000	17.9	11.6	18.3	8.4	12.5	16.7	24.9	32.1	34.6	10.0	17.5	5.3	-5.3	-0.5	-0.2	6.2	-1.9	6.7	

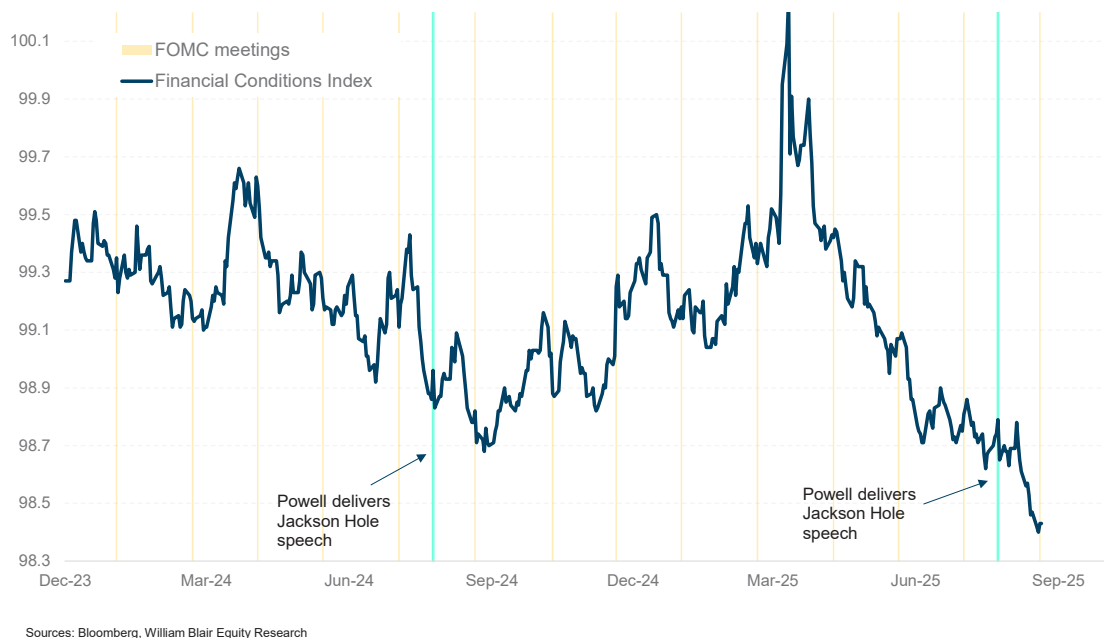
\* Diffusion Index, \*\*1985=100, \*\*\*Currencies - green/red = strengthening/weakening foreign currency vs dollar

Source: ISM, Federal Reserve, Census Bureau, Bureau of Labor Statistics, Conference Board, Bloomberg, William Blair

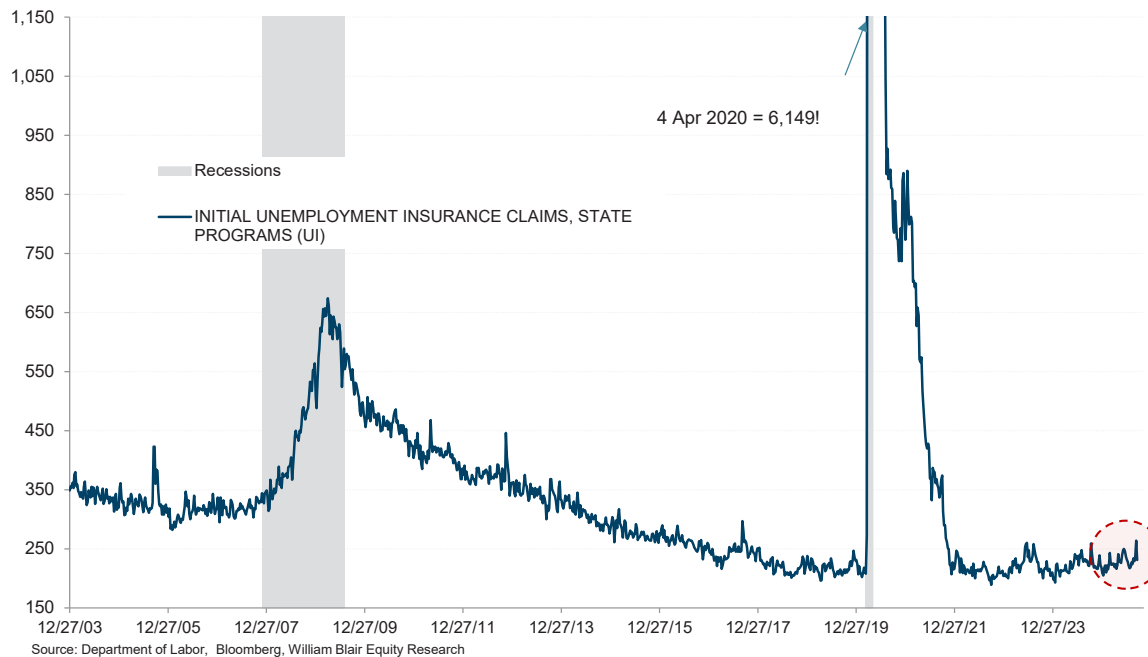
## Other Economic Indicators



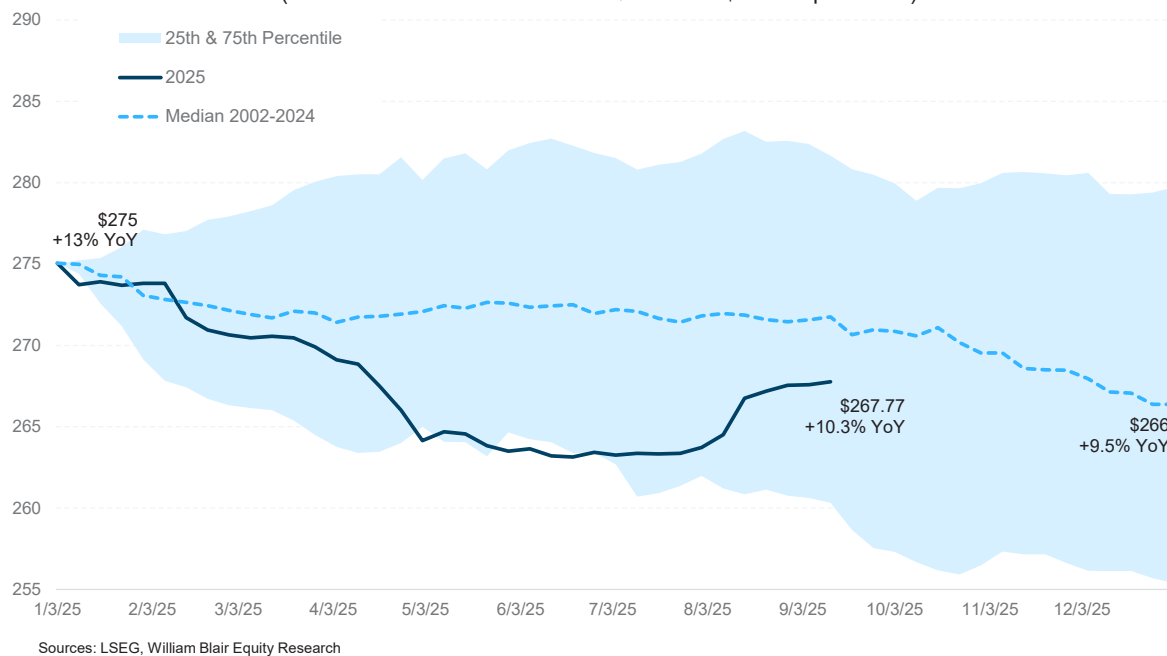
## Goldman Sachs Financial Conditions Index



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

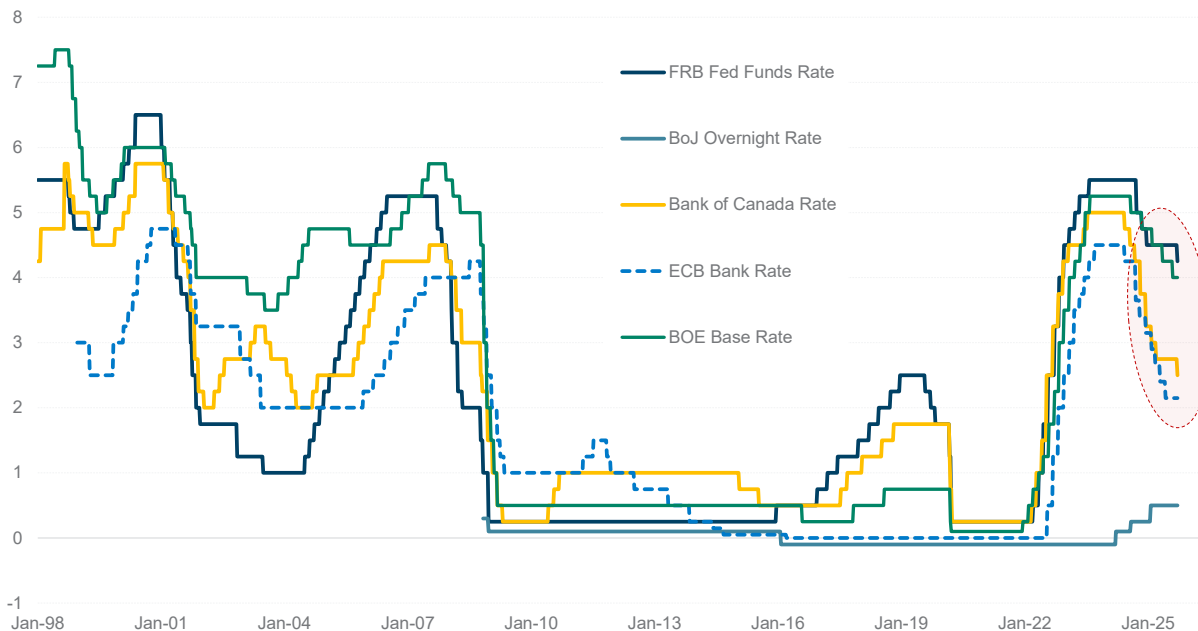


## Progression of S&P 500 2025 EPS Estimates, 2025 vs Median 2002-2024 (Rebased to Estimate at End of Q4 2024 of \$275.05 per share)

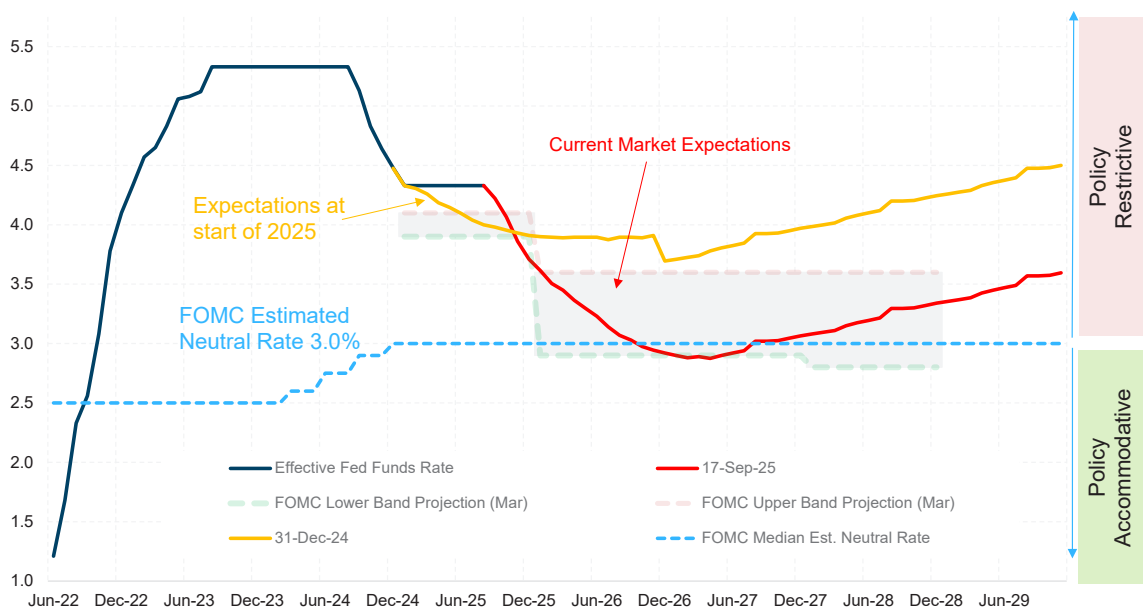




## Central Bank Target Short-Term Interest Rates, %



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



## S&amp;P 500 Sector Performance

Global Industry Classification System	Current Weight* 18-Sep-25	Week Ago 11-Sep-25	Month Ago 18-Aug-25	Qtr-to-Date 30-Jun-25	Year-to-Date 31-Dec-24
<b>S&amp;P 500 Index</b>	<b>100.00</b>	<b>0.68</b>	<b>2.83</b>	<b>6.88</b>	<b>12.76</b>
<b>S&amp;P 400 MidCap Index</b>		<b>-0.30</b>	<b>4.04</b>	<b>6.64</b>	<b>6.02</b>
<b>S&amp;P 600 SmallCap Index</b>		<b>0.78</b>	<b>5.41</b>	<b>10.41</b>	<b>4.57</b>
<b>Dow Jones Industrials</b>		<b>0.07</b>	<b>2.74</b>	<b>4.64</b>	<b>8.46</b>
<b>Nasdaq Composite</b>		<b>1.94</b>	<b>3.89</b>	<b>10.31</b>	<b>16.36</b>
<b>Communication Services</b>	<b>10.59</b>	<b>3.05</b>	<b>9.52</b>	<b>15.44</b>	<b>27.70</b>
Advertising	0.07	-2.62	-10.15	-26.59	-37.57
Broadcasting	0.07	2.09	8.56	10.22	28.83
Cable & Satellite	0.25	-4.49	-4.74	-16.91	-17.19
Integrated Telecommunication Services	0.65	-1.03	-0.26	0.91	18.58
Interactive Home Entertainment	0.15	1.60	4.91	5.47	26.18
Interactive Media & Services	7.54	4.46	14.04	25.55	32.97
Movies & Entertainment	1.37	0.26	-0.23	-6.15	26.60
Publishing & Printing	0.03	3.36	1.82	1.28	10.50
Wireless Telecommunication Svcs	0.45	-1.06	-6.41	0.24	8.20
<b>Consumer Discretionary</b>	<b>10.94</b>	<b>1.67</b>	<b>4.40</b>	<b>10.33</b>	<b>5.67</b>
Apparel Retail	0.34	-1.28	3.91	13.59	10.65
Apparel & Accessories & Luxury Goods	0.09	3.17	0.02	-1.11	-15.53
Auto Parts & Equipment	0.03	1.97	12.76	25.14	35.33
Automobile Manufacturers	2.47	11.88	22.44	29.70	4.28
Automobile Retail	0.28	-4.26	2.30	11.73	24.92
Broadline Retail	4.17	0.49	-0.30	5.64	5.95
Casinos & Gaming	0.11	0.34	5.08	17.43	8.31
Computer & Electronics Retail	0.03	-6.03	2.69	9.83	-14.07
Consumer Electronics	0.08	-1.63	2.00	13.67	15.02
Distributors	0.07	-3.23	1.34	5.49	2.27
Footwear	0.17	-2.84	-4.46	3.15	-14.53
Home Furnishings	0.01	-5.00	4.47	26.65	11.45
Home Improvement Retail	0.94	-1.50	6.00	15.58	7.61
Homebuilding	0.22	-5.01	2.25	23.52	13.94
Hotels, Resorts & Cruise Lines	0.88	-2.36	-0.11	-0.18	10.65
Leisure Products	0.02	-6.34	-8.14	1.43	33.92
Restaurants	0.91	-0.85	-3.38	-3.96	0.65
Other Specialty Retail	0.09	0.91	0.28	13.83	16.96
<b>Consumer Staples</b>	<b>5.46</b>	<b>-1.31</b>	<b>-2.31</b>	<b>-1.96</b>	<b>3.03</b>
Agricultural Products	0.08	-1.38	1.18	10.56	15.13
Brewers	0.01	-4.54	-8.25	-2.47	-18.18
Distillers & Vintners	0.05	-5.64	-18.18	-14.89	-37.74
Drug Retail	0.02	0.00	-0.17	4.36	28.40
Food Distributors	0.07	1.10	3.42	8.17	7.15
Food Retail	0.07	-1.84	-5.38	-8.00	7.92
Household Products	0.85	-1.35	0.00	-2.63	-7.46
Packaged Foods & Meats	0.46	-0.63	0.00	-2.45	-6.57
Personal Care Products	0.09	-2.06	-10.37	-6.34	-5.44
Soft Drinks	0.96	-1.70	-5.70	-2.07	0.45
Tobacco	0.60	-3.65	-2.97	-5.95	30.47
<b>Energy</b>	<b>2.83</b>	<b>0.68</b>	<b>5.10</b>	<b>4.97</b>	<b>3.98</b>
Integrated Oil & Gas	1.43	1.20	5.08	7.68	6.68
Oil & Gas Equipment & Services	0.20	-1.32	6.69	11.29	-2.80
Oil & Gas Exploration & Production	0.58	-0.65	1.15	0.02	-2.60
Oil & Gas Refining & Marketing & Transportation	0.27	1.46	13.16	14.07	26.66
Oil & Gas Storage & Transportation	0.36	1.31	4.89	-5.49	-4.62

<b>Financials</b>	<b>12.90</b>	<b>0.11</b>	<b>2.95</b>	<b>3.00</b>	<b>11.64</b>
Asset Management & Custody Banks	1.12	1.38	4.20	12.37	10.63
Consumer Finance	0.69	2.95	8.83	8.03	21.22
Diversified Banks	3.18	2.60	7.91	9.30	24.82
Diversified Financial Services	7.64	-0.41	1.75	1.95	9.36
Financial Exchanges & Data	1.08	-4.16	-4.14	-4.90	7.73
Insurance Brokers	0.52	-3.25	-2.68	-6.32	-2.36
Investment Banking & Brokerage	1.21	1.45	6.27	10.41	30.67
Life & Health Insurance	0.29	-1.29	1.46	0.80	-0.58
Multi-Sector Holdings	1.12	-1.29	2.51	0.97	8.21
Property & Casualty Insurance	0.96	-1.81	-0.08	-3.31	4.38
Regional Banks	0.27	1.69	5.95	9.21	10.39
Reinsurance	0.02	-3.93	0.84	-1.50	-7.64
Transaction & Payment Processing	2.28	-0.89	-0.92	-3.52	0.86
<b>Health Care</b>	<b>8.58</b>	<b>-1.69</b>	<b>0.95</b>	<b>1.55</b>	<b>-0.49</b>
Biotechnology	1.48	-0.68	1.73	7.70	11.68
Health Care Distributors	0.31	-3.46	1.51	-6.09	23.16
Health Care Equipment	1.92	-1.74	-1.62	-3.29	5.69
Health Care Facilities	0.17	-0.57	2.41	4.57	28.94
Health Care Services	0.38	-1.73	2.34	-0.82	27.97
Health Care Supplies	0.06	-1.15	-4.50	-12.77	-21.36
Life Sciences Tools & Services	0.80	-0.83	-1.65	8.69	-10.54
Managed Health Care	0.72	-4.40	6.08	-2.43	-30.04
Pharmaceuticals	2.75	-1.56	1.69	2.66	-1.75
<b>Industrials</b>	<b>7.92</b>	<b>-0.06</b>	<b>0.87</b>	<b>3.11</b>	<b>15.44</b>
Aerospace & Defense	2.09	1.36	2.72	6.58	34.58
Agricultural & Farm Machinery	0.21	-0.07	-3.06	-6.37	12.37
Air Freight & Logistics	0.25	0.42	0.62	-3.71	-19.99
Building Products	0.47	-2.27	-3.43	-3.28	8.54
Cargo Ground Transportation	0.07	-4.64	-5.32	-10.55	-19.74
Construction & Engineering	0.10	0.26	1.91	3.32	23.60
Construction Machinery & Heavy Trucks	0.60	5.31	9.17	16.19	19.17
Data Processing & Outsourced Services	0.05	-4.81	-6.73	-0.19	7.28
Diversified Support Svcs	0.21	-4.19	-5.85	-9.35	-4.15
Electrical Components & Equipment	0.56	-0.16	2.63	3.86	10.42
Environmental & Facilities Services	0.35	-2.34	-2.61	-4.26	9.35
Heavy Electrical Equipment	0.28	-3.65	-2.24	15.47	85.75
Human Resource & Employment Services	0.31	-2.55	-3.64	-5.33	-1.96
Industrial Conglomerates	0.36	-2.44	-1.18	-5.56	1.91
Industrial Machinery	0.65	-0.73	2.42	3.39	3.67
Passenger Airlines	0.15	-1.74	0.52	19.62	1.61
Passenger Ground Transportation	0.33	0.02	0.77	1.51	57.00
Railroads	0.43	2.23	-1.52	0.67	3.36
Research & Consulting Svcs	0.18	-2.25	0.49	-2.79	3.92
Trading Companies & Distributors	0.27	-1.01	0.56	11.76	19.69
<b>Information Technology</b>	<b>32.47</b>	<b>1.35</b>	<b>2.35</b>	<b>9.88</b>	<b>18.35</b>
Application Software	2.44	3.08	-1.07	1.22	8.33
Communications Equipment	0.92	-1.03	3.75	11.56	18.53
Electronic Components	0.36	3.13	13.08	30.66	73.29
Electronic Equipment & Instruments	0.15	0.80	3.84	7.85	7.95
Electronic Manufacturing Services	0.15	2.82	5.81	20.40	52.93
Internet Software & Services	0.10	-1.61	3.93	-8.82	-5.89
IT Consulting & Services	0.76	1.15	4.18	-15.07	-10.52
Semiconductor Equipment	0.79	9.60	20.00	16.28	41.84
Semiconductors	11.91	-0.38	1.50	14.19	33.75
Systems Software	8.58	1.28	1.31	3.80	22.57
Technology Distributors	0.04	-1.72	-1.79	-8.80	-6.41
Technology Hardware, Storage & Peripherals	6.27	3.51	3.69	16.41	-3.13
<b>Materials</b>	<b>1.73</b>	<b>-2.08</b>	<b>1.20</b>	<b>3.50</b>	<b>8.65</b>
Commodity Chemicals	0.06	-4.25	1.83	-8.94	-35.52
Construction Materials	0.13	-1.35	2.96	13.76	18.03
Copper	0.11	-2.16	7.62	3.64	17.99

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Fertilizers & Agricultural Chemicals	0.12	-2.35	-0.76	-6.00	18.05
Gold	0.14	-1.67	13.51	34.43	110.42
Industrial Gases	0.48	-1.38	-0.08	1.95	10.56
Metal & Glass Containers	0.02	-3.76	-6.91	-12.28	-10.76
Paper Packaging	0.17	-1.03	1.63	0.10	-13.15
Specialty Chemicals	0.42	-3.12	-2.03	0.79	-0.71
Steel	0.09	-2.66	-0.92	5.74	17.85
<b>Real Estate</b>	<b>1.85</b>	<b>-1.43</b>	<b>2.25</b>	<b>0.87</b>	<b>2.59</b>
Data Center REITs	0.22	-1.68	2.77	-1.46	-11.65
Health Care REITs	0.28	-0.72	3.57	8.92	19.53
Hotel & Resort REITs	0.02	-0.45	11.04	14.58	0.46
Industrial REITs	0.18	0.30	9.22	9.55	8.95
Multi-Family Residential REITs	0.00	-2.24	2.00	-5.15	-9.85
Office REITs	0.02	2.00	19.32	15.24	4.57
Other Specialized REITs	0.11	-1.66	3.83	-2.45	2.03
Real Estate Service	0.14	1.03	3.33	15.00	25.49
Retail REITs	0.25	-1.88	3.36	6.19	3.69
Self-Storage REITs	0.13	-3.78	2.39	-3.25	-4.98
Single-Family Residential REITs	0.13	-3.78	2.39	-3.25	-4.98
Telecom Tower REITs	0.25	-1.84	-6.04	-12.24	3.35
Timber REITs	0.03	-5.00	-4.45	-4.48	-12.83
<b>Utilities</b>	<b>2.15</b>	<b>-0.77</b>	<b>-1.22</b>	<b>2.72</b>	<b>10.68</b>
Electric Utilities	1.38	-0.85	-1.75	2.25	9.89
Gas Utilities	0.04	-2.38	-0.97	5.40	16.64
Independent Power Producers & Energy Traders	0.13	2.74	4.56	9.93	43.98
Water Utilities	0.05	-3.03	-5.09	-2.67	8.76
Multi-Utilities	0.56	-1.08	-0.94	2.51	6.34

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

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DOW JONES: 46142.40

S&P 500: 6631.96

NASDAQ: 22261.30

Additional information is available upon request.

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Market Perform (Hold)	27	Market Perform (Hold)	3
Underperform (Sell)	1	Underperform (Sell)	0

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