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Economics Weekly

Shutdowns, Tariff Rulings, and Jobs

Please refer to important disclosures on pages 13 and 14. Analyst certification is on page 13.

Today marks the 38th day of the U.S. government shutdown. This gives the 119th Congress the dubious distinction of presiding over the longest government shutdown in U.S. history—the prior longest shutdown was for 35 days between December 22, 2018, and January 25, 2019.

Because this shutdown is not associated with a debt ceiling extension, it has afforded Congress more time for shenanigans. Most members were waiting until after Tuesday's state and local elections to approach the negotiating table, in the hope that the results would be viewed as a plebiscite on the shutdown and give their party a little more negotiating leverage. With elections now behind us and the Democrats coming out on top, it looks as though it will be up to the Republicans to make some concessions or to take routes that enable them to pass legislation without a 60-vote majority.

Also this week, the Supreme Court of the United States (SCOTUS) listened to oral arguments on the president's use of the International Emergency Economic Powers Act (IEEPA) to raise tariffs for a broad swath of countries. SCOTUS must decide whether this use was permitted or not, and what might happen if not.

In this *Economics Weekly,* we discuss the current state of the shutdown and how it could end; what the Trump administration may do next if IEEPA's use is deemed unjustified; and the latest employment data, given today would have seen the release of the October employment report.

The Shutdown and What's Next

This week's election results look to have been a solid victory for the Democrats, with their candidates winning in all of the most closely followed races, including: New York City (mayoral), New Jersey (gubernatorial), and Virginia (gubernatorial), as well as mayoral races in Cincinnati, Atlanta, Detroit, and importantly Pittsburgh, where Pennsylvania also retained Democrats in the supreme court. Given that just about all of these were already blue states, results should not have been too much of a surprise here. Nevertheless, the message was clear, and once again the pollsters underestimated the scale of the win.

The Democrats will now believe that this puts them in a stronger position to push for another extension of subsidies for the ACA. These were last extended in 2022 by the Biden administration (but are set to expire on December 31, 2025) and have been the major sticking point in budget negotiations.

The GOP will have to consider carefully what these results mean as we head into next year's midterm elections. We see five main options for ending the shutdown.

First, pass a "clean" continuing resolution. The goal here is to simply extend all recent spending at the same levels to get the government reopened as soon as possible.

Second, pass a temporary short-term negotiated package. This might mean accepting the Democrats' demands for extending ACA subsidies and other measures to open the government, but only as a stop-gap with an agreement to revisit these issues at another time.

Third, rely on the economic pain the shutdown is causing to benefit them. Republicans could continue their attempts to pass a continuing resolution (they have put up 14 so far) in the hope that something changes to make the Democrats cave.

For Democrats, these changes could relate to the increasing pain associated with airports and SNAP benefits. Airports have been experiencing growing chaos and long delays, as more TSA officers (who are mostly working without pay) call in sick and/or refuse to show up for work. Similarly, air traffic controllers could do the same, with recent media interviews suggesting that many are already being forced to take second jobs to make ends meet. As of today, the transportation secretary has reduced flights by 10% at 40 airports. The president has also stated that SNAP benefits (food stamps) will not be paid to the 42 million Americans currently receiving them.

The Republican hope is that this will reflect poorly on the Democrats for being obstinate about the ACA subsidies. Yet, this week's election results would suggest otherwise. This could focus the minds of many Republicans who may start to worry more about their seats in next year's midterm elections than they do about the wrath of the president, resulting in some fracturing within the party.

Fourth, end the filibuster. This is what's famously referred to as "the nuclear option." For most legislation to pass through the Senate, it needs a 60-vote majority; the GOP currently only has 53 seats. Any party with a majority of 51 could vote to bypass the 60-vote majority and effectively end or suspend the filibuster to get their legislation through. This has been used a couple of times in the past—by Democrats to push through executive branch nominations in 2013 and by Republicans to push through the Supreme Court nomination of Neil Gorsuch in

2017. This week the president has been posting to social media about this as his preferred option.

The problem is that this would set a precedent and would open up Pandora's box. It would make policy much easier to pass going forward—with one party passing legislation in one Congress, and the other party reversing that in the next. More importantly, it would reduce the incentive to seek bipartisan solutions. Most Republicans are very reluctant to approach this option. Nevertheless, it is certainly one of the cards the president is holding, but it would then be up to the Democrats to call his bluff.

Fifth, use a budget reconciliation. The fifth option is similar but not quite as impactful as ending the filibuster—using budget reconciliation. This process allows the majority party in the Senate to pass certain budget-related spending bills with a filibuster-proof majority of just 51 votes and 20 hours of debate. The proviso is that it only allows spending legislation related to mandatory spending, not discretionary and not "other budgetary measures." The legislation also has to be run past the Senate parliamentarian for their blessing. The President of the Senate (Vice President JD Vance) could choose to ignore any nonbinding adverse advice of that parliamentarian and go ahead with the legislation regardless; however, doing so would destroy another historical precedent, a bridge the rest of the GOP might be reluctant to cross.

Ultimately, this is also a clunky and time-consuming fix, with a few other technical features that could make it harder to use, although still possible. This was last used by the Biden administration in 2022 to pass the Inflation Reduction Act.

The most likely option at the moment looks like option two, passing stop-gap short-term measures including the extension of ACA subsidies to get the Democrats' support, but promising to revisit this in the near future. Pressure is rising from airport disruptions and SNAP benefits, and given the recent election losses, it seems likely the GOP will have to lick its wounds and come back to fight another day.

SCOTUS and IEEPA Tariffs

Also this week, in a fascinating bit of history in the making, SCOTUS heard oral arguments regarding the president's broad use of IEEPA to increase tariffs on foreign nations. He has used the act for approximately 70% of the tariffs that have been imposed on other nations following the April 2025 tariff announcement.

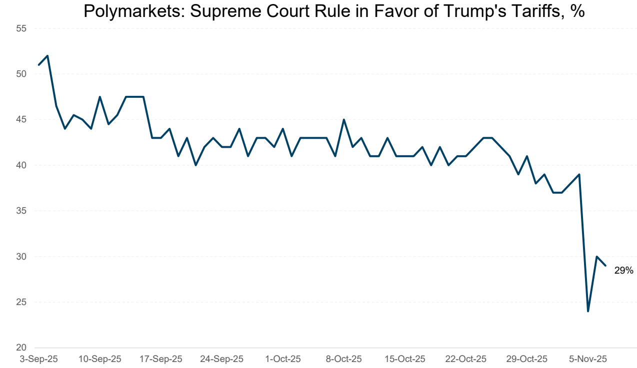
IEEPA has been used in the past, but only in very measured and targeted ways against specific nations. It has never been used in such a broad-based manner, even [looking back] to President Nixon's use of such measures in 1971.

Based on the line of questioning from the judges, it seems they may decide to uphold the previous three decisions of the lower courts against the use of IEEPA for these tariffs. Crucially, they are fearful that it is being used for widespread revenue-raising purposes—historically, the closely guarded constitutional right of Congress, not of the president unilaterally. And as a result, they fear the IEEPA could be used to bypass Congress in the future and allow any president to fund their own special projects.

The odds of SCOTUS ratifying the use of the tariffs have collapsed following the hearing and are now just 29%, according the latest prediction markets (exhibit 1).

Exhibit 1

Polymarkets: Supreme Court Rule in Favor of Trump's Tariffs, %



Sources: Bloomberg, William Blair Equity Research

The justices were also seemingly unsure of what would happen to the revenue that has already been collected under IEEPA if it needed to be refunded, or whether any new replacement tariff could be implemented retroactively. Perhaps the understatement of the day was from Justice Amy Coney Barrett, who was quoted as saying "it could be a mess."

In theory, the justices are deciding on the use of IEEPA, not tariffs themselves, and there are alternatives for the president. The main one would be to reclassify these tariffs under Section 338. Section 338 are tariffs that can be used for countries that are deemed to be discriminating against U.S. goods.

While there are some drawbacks to these compared to IEEPA, in that they are capped at 50%, do not cover quite as broad a swath of imports, and are less flexible than IEEPA, the president can still impose them at will. And they do not require Congressional approval nor formal investigations.

As it stands today, there is no fixed deadline for SCOTUS to deliver its ruling, though most hope it will be delivered before the end of the year.

Weak Employment Data

As we discussed in last week's Economics Weekly: Innovation and Labor Displacement, it seems likely that much of the recent employment weakness is less related to AI and more related to productivity gains following years of post-COVID capital deepening, in addition to weak supply conditions (lower immigration and demographics), as opposed to purely soft demand.

Based on a recent survey of corporate use rates of AI, it does not seem likely that companies have yet integrated the technology deeply enough into their practices to enable them to lay off workers in any meaningful way. Rather, most companies continue to suggest that if they are using AI, it is to accompany and complement workers, not replace them. It is also possible that those citing AI could be using it as a convenient umbrella to justify cuts.

This view is still consistent with the release of this week's softer employment data, where the government shutdown and ongoing uncertainty about tariffs is likely preventing companies from making much progress on new hires.

The employment data this week included reports from: ADP (+42,000), Revelio (-9,060), and Challenger, Gray & Christmas layoff announcements (+175.3%), as well as the ISM employment indices (manufacturing employment index at 46, services index at 48.2) and the seasonally unadjusted initial claims data for October of 206,000.

For example, the latest Challenger, Gray & Christmas layoff announcement data noted that the 47,878 surge in announced job cuts at warehouses "*suggests ongoing overcapacity and automation-driven restructuring following pandemic-era growth.*" The 27,651 announced increase in lost jobs for nonprofits this year was notably impacted by government funding. And among retailers, the hardest hit sector this year, Challenger noted that "*[t]he sector continues to face cost pressures, shifting consumer habits, and ongoing store closures.*"

All of the weakness in the Revelio data comes from a decline in government sector employment (22,200) and tariff impacted goods producing industries (-5,000). When the official data are revealed, they very likely will show a very small gain in total nonfarm payrolls in October. The Establishment Survey counts workers as employed even if they have been sent home as furloughed workers and are not being paid. Where there is likely to be some confusion is with regard to the Household Survey, where employees may classify themselves as unemployed if they are not at work and not being paid, but are actively seeking temporary employment to help make ends meet as they wait for the government to reopen.

Conclusion

This week's elections pointed to a win for the Democrats and will likely be considered by them as a plebiscite on their standoff with the Republicans in the budget negotiations, further entrenching their reluctance to vote for the GOP's demands. While President Trump is urging his party to press the nuclear button on the filibuster, most party members will not want to go down this route; rather, they will likely opt to pass a short-term stop-gap bill that maintains current spending levels for a short period, then revisit these issues a little further into the future. They will likely have a clear eye toward next year's midterm elections.

In addition, SCOTUS this week heard the cases put forward on the president's use or abuse of IEEPA. The nature of their questioning and the prediction markets would indicate that the justices are unlikely to agree with the president. This may not be so bad for the Republicans, as they could swiftly pivot to another weapon, Section 338, which is somewhat less flexible than IEEPA but will get the job done. What is unclear is what will happen to all the previously collected revenue if SCOTUS decides to reject the president's policy. One solution could be to allow Section 338 to be applied retroactively—either way, the solution will be "messy." It is also unclear if SCOTUS will comment on the president's use of tariffs to raise revenue—the jurisdiction of Congress.

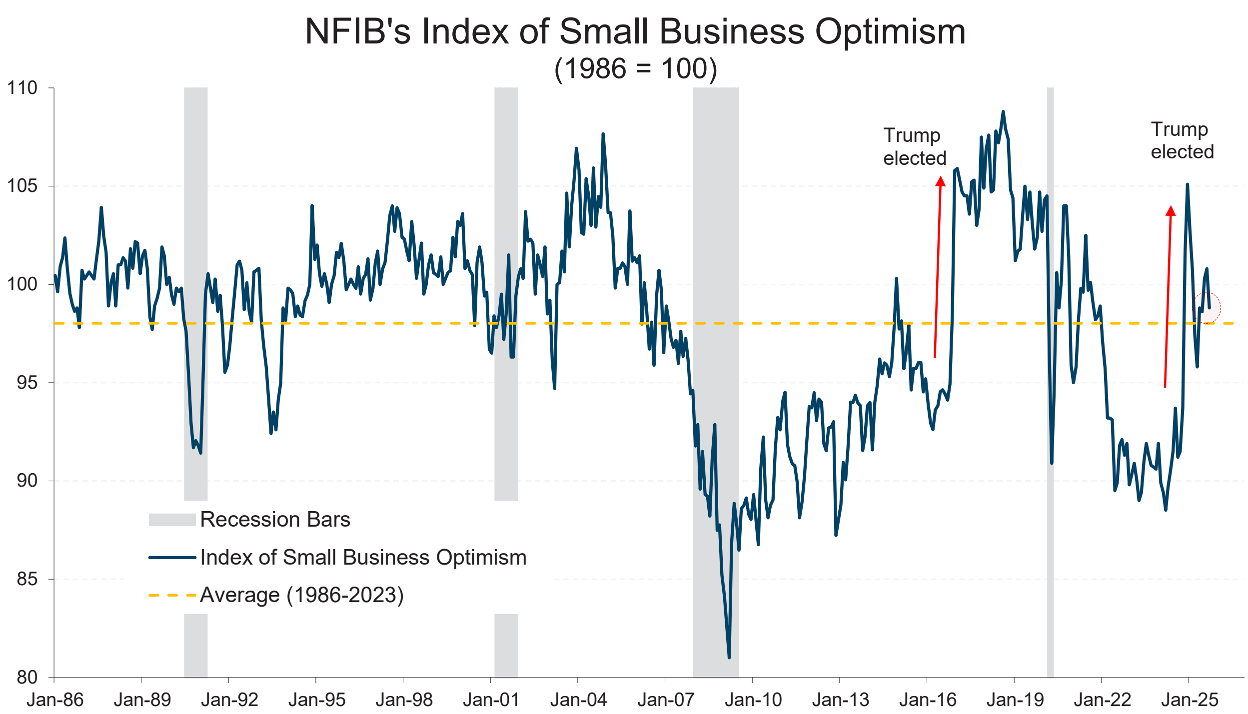
Judging from this week's batch of employment data, which will not include today's planned employment report, employment growth remains soft in October. It seems premature to lay the blame for this at the door of AI, as most surveys suggest that companies have not yet been implementing it or at least not implementing it in a manner that would allow them to shed labor. Rather, this is likely to be the result of a combination of the government shutdown, previous capital deepening, tariff uncertainty, immigration restrictions, and an aging workforce, in addition to some modest softening in demand.

Highlights in the Week Ahead

Date	Time (ET)	Indicator	Last	Consensus	WB Estimate	Actual
11 Nov	7:00 a.m.	NFIB Small Business Optimism (Oct)	98.8	NA	NA	

Sources: Bloomberg, William Blair Equity Research

Indicator of the Week: NFIB Small Business Optimism



Sources: National Federation of Independent Business, Bloomberg, William Blair Equity Research

Economic Scorecard

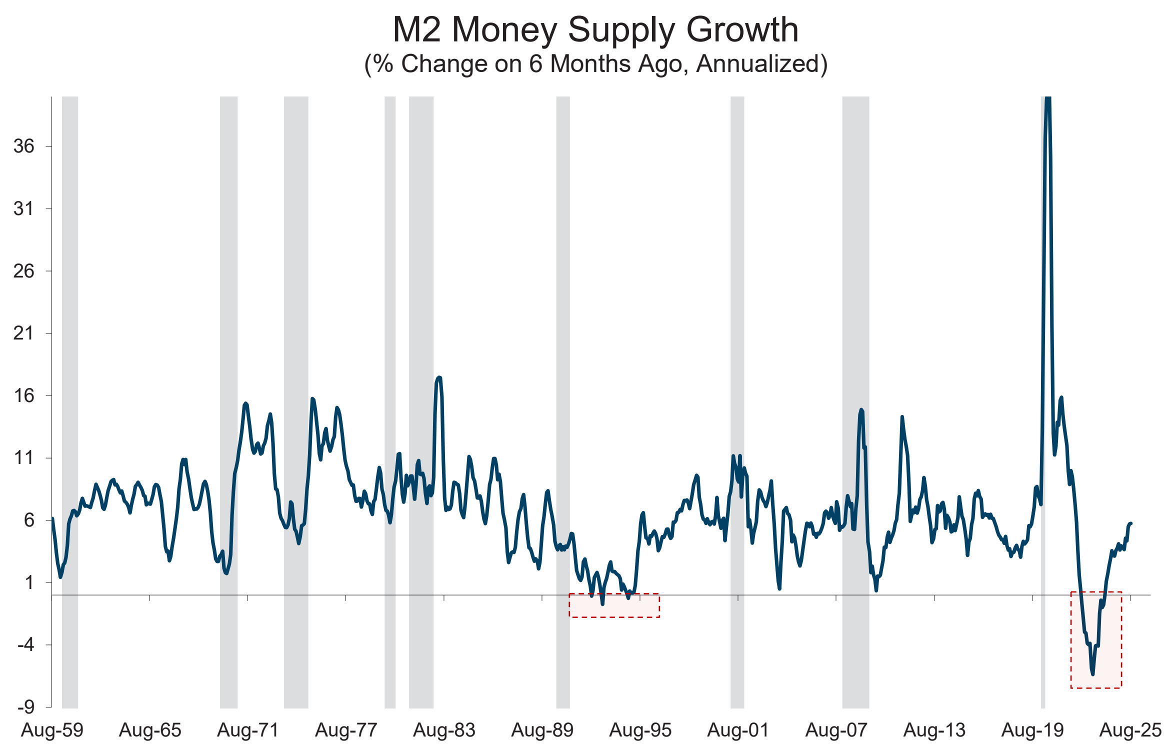
Rolling monthly heat map, % Change on Year Ago (unless otherwise noted)

	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	Oct-25	Nov-25
Growth																			
US Leading Indicators	-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	-3.4	-3.6			
US Coincident Indicators	1.9	2.1	1.7	1.7	1.6	1.6	1.3	1.7	1.5	1.5	1.8	2.0	1.4	1.4	1.4	1.5			
US Lagging Indicators	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	0.9			
Consumer																			
Total Retail Sales	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	5.7	5.7	5.6	5.4	5.3	5.5	5.3	5.3	5	5	5.2	5.8	4.9	4.7	4.9	5.1			
Real Disposable Personal Income	3	3.1	2.9	2.8	2.8	2.7	2.4	2.2	1.8	1.8	2.3	3	1.9	1.6	1.9	1.9			
Real Personal Consumption	3.1	3.1	3	3	3.4	3.3	3.2	3.6	3.3	2.7	3.2	3.1	2.5	2.5	2.5	2.7			
Personal Saving Rate (%)	5.8	5.7	5.3	5.2	4.8	5	4.9	4.3	5.1	5.2	5.1	5.7	5.2	5	4.8	4.6			
Consumer Confidence (Conference Board)**	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	97.8	95.6	94.6	
Employment																			
Employment Growth	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	-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	0.8	1.5	
ISM Employment Index Manufacturing*	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	45.3	46	
ISM Employment Index Services*	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	47.2	48.2	
Unemployment Rate, %	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	4.3		
Average Hourly Earnings	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	3.7		
Initial Jobless Claims (avg. wkly. chg. '000s)	222	237	237	230	225	236	219	222	218	227	223	226	235	241	221	231	238		
Jop Openings	-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	-3.9	-5.5	1.7	-5.1	
Layoff Announcements	-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	-25.8	175.3	
Housing Market																			
Housing Starts	-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	-10	-0.4	1.1	7.4	5.3	-8.8	10.7	11.7	-2.8	-2.4	-4.6	-1.8	-5.7	0.7	-6.5	15.4			
Existing Home Sales	-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	1.8			
Median House Price (Existing Homes)	-1.6	-0.9	-1.6	-8	-1.2	2.1	-7.4	1.1	-0.2	-1.4	-5.4	-0.4	2.5	-2.5	-7.9	1.9			
Existing Homes Inventory (Mths' supply)	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	4.3			
New Homes Inventory (Mths' supply)	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	8.9	9	7.4			
NAHB Homebuilder Sentiment*	45	43	41	39	41	43	46	46	47	42	39	40	34	32	33	32	32	37	
Inflation																			
Consumer Price Index	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	3		
CPI Less-food & energy	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	3		
Producer Price Index	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	2.7	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	2.7	2.5	2.6	2.4	2.3	2.5	2.6	2.7	2.6	2.7	2.4	2.3	2.5	2.6	2.6	2.7			
PCE Prices Less-food & energy	2.8	2.8	2.8	2.9	2.8	3.0	3.0	3.0	2.8	3.0	2.7	2.6	2.8	2.8	2.9	2.9			
Business Activity - US																			
Industrial Production	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	-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	4.5	2.9			
Business Inventories	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*	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	49.1	48.7	
Markit US Manufacturing PMI*	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	52	52.5	
ISM Services Index*	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	50	52.4	
Markit US Services PMI*	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	54.2	54.8	
Business Activity - International																			
Germany Manufacturing PMI Markit/BME*	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	49.5	49.6	
Japan Manufacturing PMI Jibun Bank*	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	48.5	48.2	
Caixin China Manufacturing PMI*	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	51.2	50.6	
China Manufacturing PMI*	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	49.8	49	
UK Manufacturing PMI Markit/CIPS*	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	46.2	49.7	
France Manufacturing PMI Markit*	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	48.2	48.8	
Currencies* **																			
Euro (EUR/USD)	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	5.4	6.0	
Renmimbi (USD/CNY)	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	1.5	0.0	
Yen (USD/Yen)	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	3.0	1.3	
Sterling (GBP/USD)	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	0.5	2.0	
Canadian $ (USD/CAD)	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	2.9	0.5	
Mexican Peso (USD/MXN)	-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	-7.0	-7.4	
US Equities																			
S&P 500	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	16.1	19.9	
S&P 400 Midcap	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	4.5	4.8	
S&P 600 Smallcap	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	1.9	3.8	
Russell 2000	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	9.3	12.9	

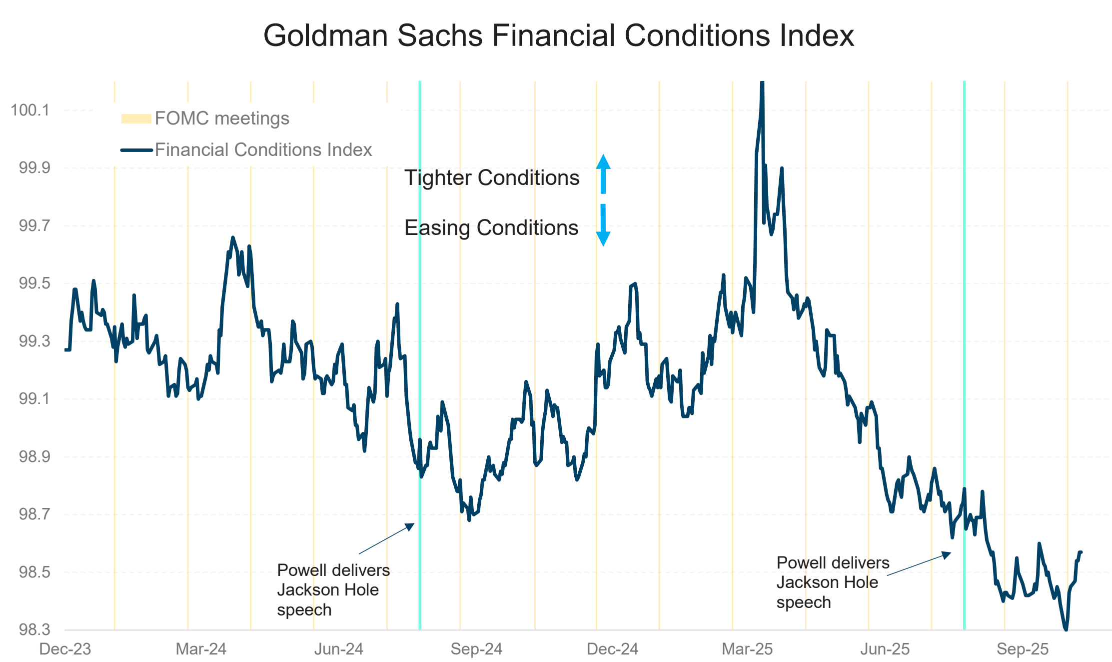
* Diffusion Index, **1985=100, ***Currencies - green/red = strengthening/weakening foreign currency vs dollar

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

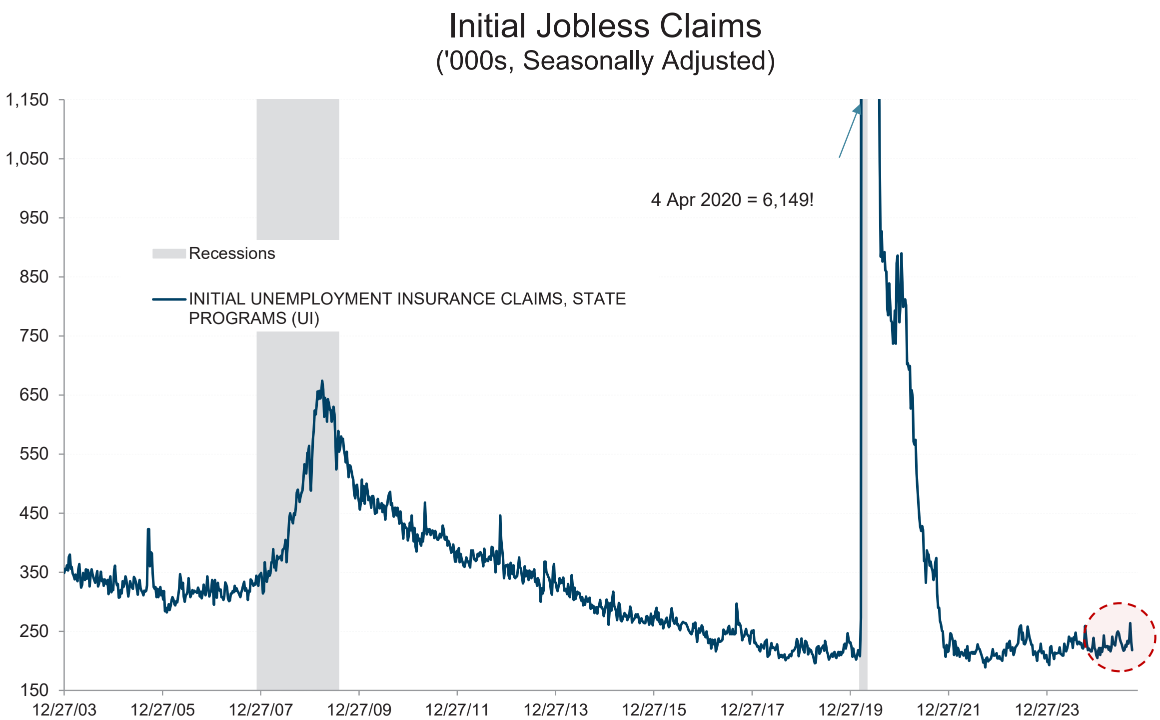
Other Economic Indicators



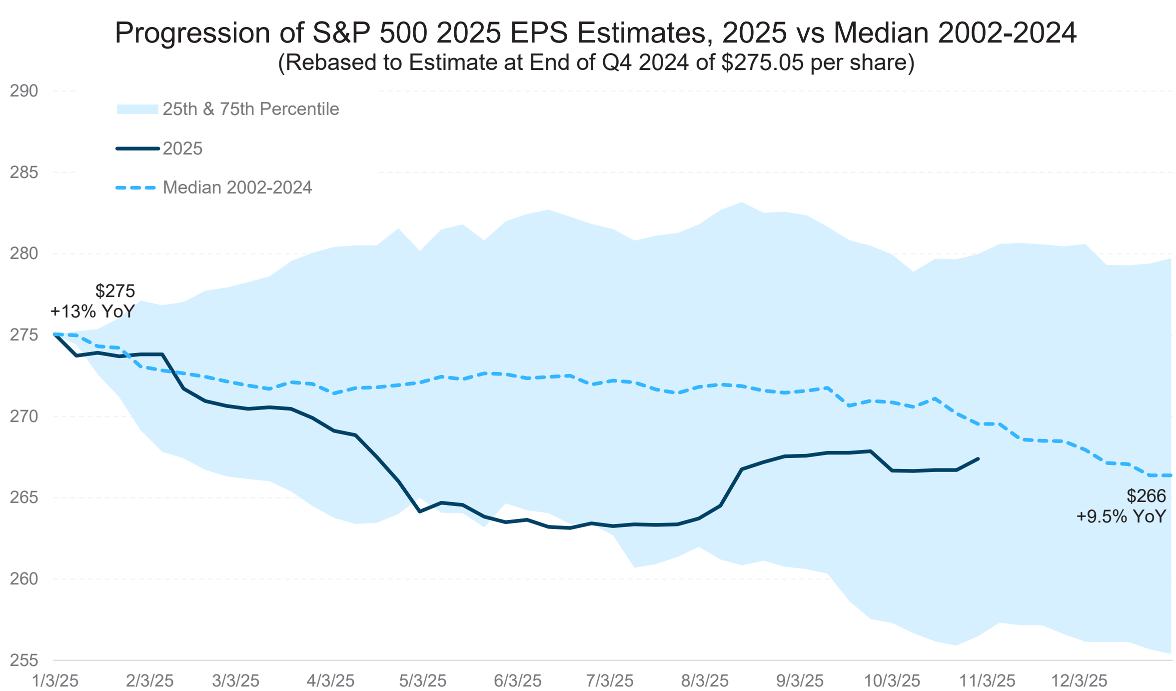
Sources: Federal Reserve, William Blair Equity Research



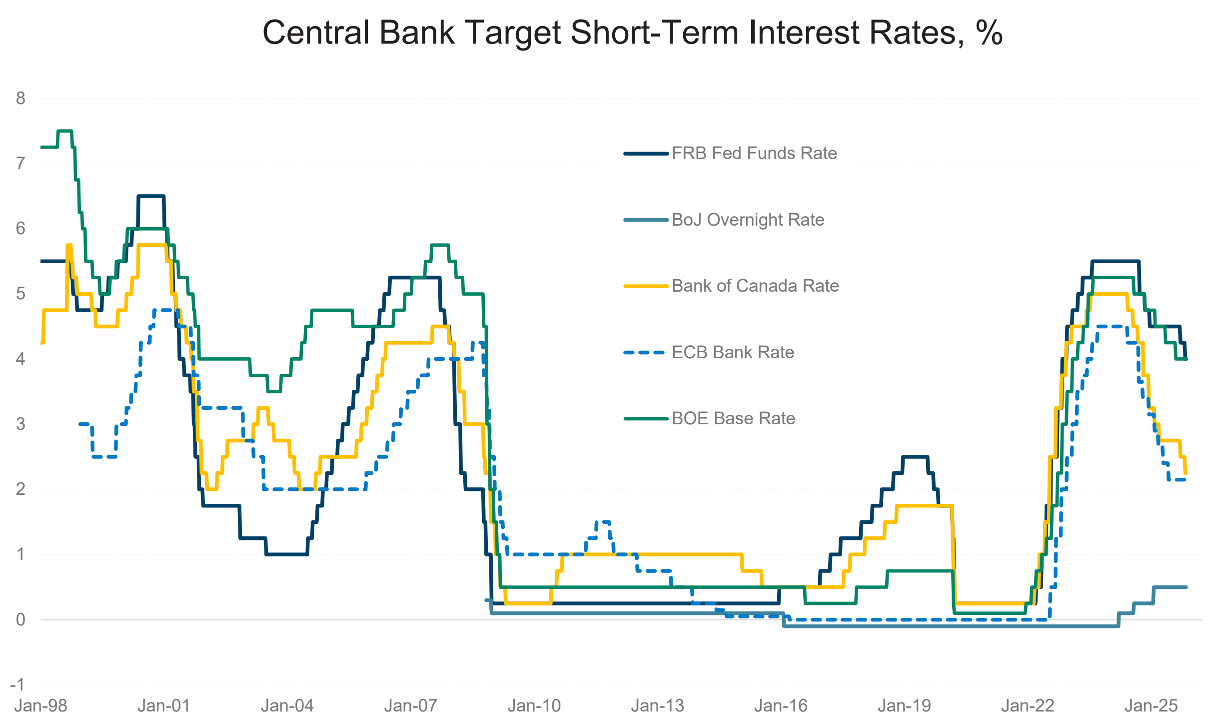
Sources: Bloomberg, William Blair Equity Research



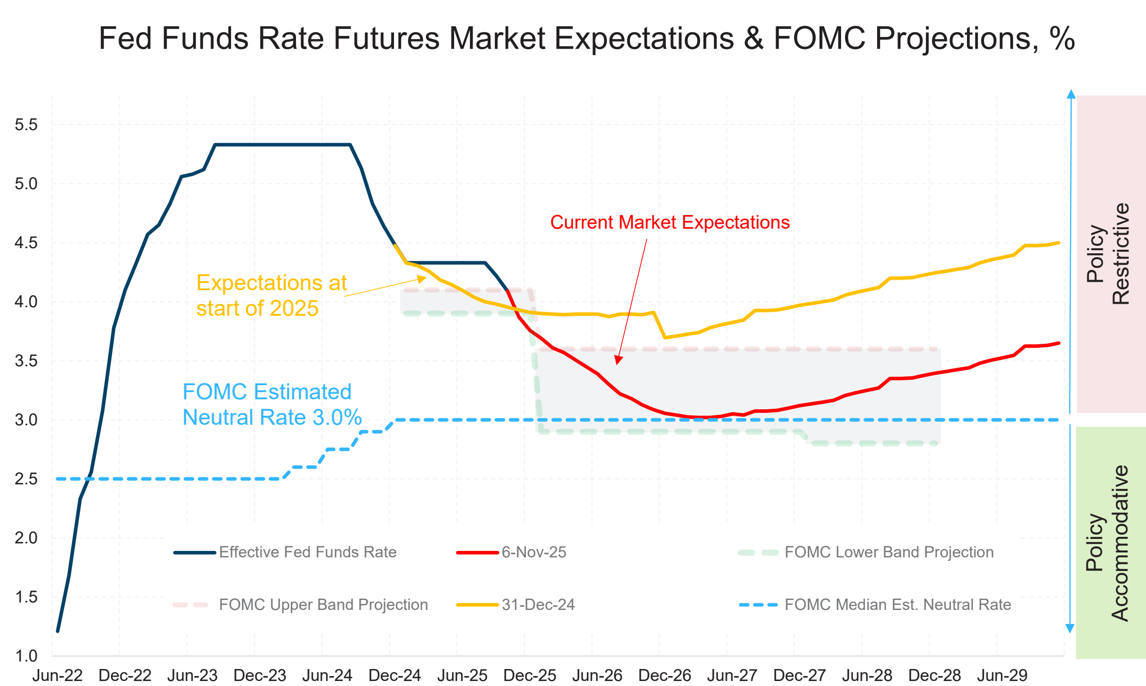
Source: Department of Labor, Bloomberg, William Blair Equity Research



Sources: LSEG, William Blair Equity Research



Sources: Bloomberg, William Blair Equity Research



S&P 500 Sector Performance

Global Industry Classification System	Current Weight* 06-Nov-25	Week Ago 30-Oct-25	Month Ago 06-Oct-25	Qtr-to-Date 30-Sep-25	Year-to-Date 31-Dec-24
S&P 500 Index	**100.00**	**-1.50**	**-0.30**	**0.48**	**14.26**
S&P 400 MidCap Index		**-0.61**	**-2.61**	**-1.74**	**2.75**
S&P 600 SmallCap Index		**-0.59**	**-2.45**	**-1.65**	**1.22**
Dow Jones Industrials		**-1.28**	**0.47**	**1.11**	**10.27**
Nasdaq Composite		**-2.24**	**0.49**	**1.74**	**19.38**
Communication Services	**10.19**	**-1.22**	**1.14**	**0.82**	**24.70**
Advertising	0.07	-4.41	-10.15	-8.56	-37.67
Broadcasting	0.07	-0.31	0.76	-1.49	34.14
Cable & Satellite	0.21	-1.02	-14.17	-14.48	-28.98
Integrated Telecommunication Services	0.56	1.19	-4.15	-10.96	4.06
Interactive Home Entertainment	0.16	0.04	-0.91	-1.48	36.28
Interactive Media & Services	7.47	-1.54	3.52	4.49	32.76
Movies & Entertainment	1.26	0.12	-3.58	-6.08	18.50
Publishing & Printing	0.02	-5.67	-10.58	-18.13	-8.26
Wireless Telecommunication Svcs	0.37	-4.58	-10.65	-16.03	-8.93
Consumer Discretionary	**10.79**	**2.43**	**0.50**	**0.73**	**5.51**
Apparel Retail	0.35	1.12	1.60	0.81	15.48
Apparel & Accessories & Luxury Goods	0.08	-6.31	-8.76	-8.19	-21.22
Auto Parts & Equipment	0.03	-0.02	-6.27	-4.78	30.14
Automobile Manufacturers	2.62	1.23	-0.64	1.13	12.16
Automobile Retail	0.23	-0.46	-9.84	-12.74	11.53
Broadline Retail	4.32	8.84	9.60	10.27	11.08
Casinos & Gaming	0.10	4.69	7.82	4.91	12.70
Computer & Electronics Retail	0.03	-5.42	4.06	4.03	-8.31
Consumer Electronics	0.06	-5.11	-20.83	-17.16	-1.11
Distributors	0.06	-4.89	-10.69	-10.85	-10.18
Footwear	0.14	-4.19	-14.37	-12.78	-29.01
Home Furnishings	0.01	-7.53	-15.29	-17.10	-10.28
Home Improvement Retail	0.81	-2.96	-4.96	-8.66	-5.43
Homebuilding	0.19	-1.90	-11.45	-10.45	0.11
Hotels, Resorts & Cruise Lines	0.79	-3.09	-7.16	-6.69	1.18
Leisure Products	0.02	0.08	2.44	1.00	37.02
Restaurants	0.82	-4.94	-8.75	-9.15	-7.60
Other Specialty Retail	0.08	-1.03	-6.25	-6.68	7.08
Consumer Staples	**5.19**	**-0.93**	**-1.64**	**-3.01**	**-1.03**
Agricultural Products	0.07	-4.61	-3.02	1.10	15.46
Brewers	0.01	1.01	-3.42	-2.56	-23.08
Distillers & Vintners	0.05	-0.68	-6.95	-4.40	-40.07
Drug Retail	0.02	0.00	0.00	0.00	28.40
Food Distributors	0.06	-2.40	-9.80	-11.45	-4.64
Food Retail	0.07	-3.06	-2.12	-5.91	3.73
Household Products	0.77	-2.80	-3.85	-5.98	-14.93
Packaged Foods & Meats	0.42	-1.60	-7.42	-7.21	-13.30
Personal Care Products	0.09	3.90	2.50	0.70	-10.90
Soft Drinks	0.97	-1.78	2.82	2.37	2.57
Tobacco	0.54	2.07	-5.53	-9.33	19.70
Energy	**2.73**	**0.57**	**-1.38**	**-1.26**	**2.96**
Integrated Oil & Gas	1.36	-0.27	-0.55	-0.25	4.87
Oil & Gas Equipment & Services	0.20	-0.72	2.82	3.23	2.72
Oil & Gas Exploration & Production	0.55	1.83	-4.60	-3.49	-4.99
Oil & Gas Refining & Marketing & Transportation	0.27	0.84	3.55	1.60	33.69
Oil & Gas Storage & Transportation	0.34	2.60	-5.61	-6.35	-9.01

Financials	**12.38**	**0.25**	**-2.49**	**-2.88**	**8.28**
Asset Management & Custody Banks	0.98	-0.94	-7.00	-7.55	-1.27
Consumer Finance	0.68	0.76	6.13	6.39	22.48
Diversified Banks	3.09	0.79	2.49	0.01	24.51
Diversified Financial Services	7.37	-0.09	-3.25	-2.96	5.47
Financial Exchanges & Data	1.01	-0.65	-3.12	-3.20	3.34
Insurance Brokers	0.46	-1.23	-13.18	-12.55	-12.20
Investment Banking & Brokerage	1.36	-1.41	-1.35	-1.76	31.30
Life & Health Insurance	0.29	1.35	-1.88	-1.88	-0.17
Multi-Sector Holdings	1.11	3.06	-1.37	-1.91	8.80
Property & Casualty Insurance	0.91	1.65	-5.73	-5.52	0.86
Regional Banks	0.25	0.04	-4.66	-6.20	1.73
Reinsurance	0.02	3.37	-11.60	-8.74	-11.82
Transaction & Payment Processing	2.10	-1.27	-6.63	-4.61	-5.07
Health Care	**9.01**	**1.07**	**1.14**	**4.66**	**5.91**
Biotechnology	1.53	0.30	1.74	3.50	17.39
Health Care Distributors	0.38	4.75	18.37	14.99	53.79
Health Care Equipment	1.88	-0.04	0.45	0.71	5.81
Health Care Facilities	0.20	1.33	8.82	10.62	52.05
Health Care Services	0.36	2.25	-5.73	-4.36	23.21
Health Care Supplies	0.06	-2.93	-3.49	-1.01	-23.15
Life Sciences Tools & Services	0.88	0.54	2.77	12.50	1.25
Managed Health Care	0.68	-5.88	-10.72	-5.92	-32.22
Pharmaceuticals	3.03	3.74	2.74	8.56	9.40
Industrials	**7.83**	**-1.37**	**-1.68**	**-1.16**	**15.71**
Aerospace & Defense	2.08	-2.55	-2.22	-1.87	35.81
Agricultural & Farm Machinery	0.21	2.14	3.95	3.96	12.20
Air Freight & Logistics	0.27	1.41	7.21	10.97	-11.10
Building Products	0.47	-0.05	0.31	0.82	10.33
Cargo Ground Transportation	0.07	0.69	3.07	5.76	-15.96
Construction & Engineering	0.16	-1.42	1.62	4.88	35.88
Construction Machinery & Heavy Trucks	0.68	-0.72	10.15	13.47	36.83
Data Processing & Outsourced Services	0.04	-1.59	-7.52	-8.68	-3.80
Diversified Support Svcs	0.19	-1.90	-8.19	-10.35	-12.86
Electrical Components & Equipment	0.56	-1.68	1.51	2.08	12.45
Environmental & Facilities Services	0.32	-1.09	-7.31	-8.76	1.61
Heavy Electrical Equipment	0.24	-4.16	-8.79	-10.53	67.26
Human Resource & Employment Services	0.27	-3.78	-11.78	-12.93	-15.01
Industrial Conglomerates	0.35	-1.88	1.62	1.36	3.33
Industrial Machinery	0.64	1.56	0.86	1.31	5.13
Passenger Airlines	0.14	2.35	-1.49	0.27	-3.60
Passenger Ground Transportation	0.31	-4.53	-7.97	-5.97	52.72
Railroads	0.42	-0.50	-6.35	-5.72	4.04
Research & Consulting Svcs	0.16	-1.64	-8.56	-9.81	-5.76
Trading Companies & Distributors	0.24	-1.34	-10.88	-10.37	7.65
Information Technology	**33.76**	**-4.23**	**0.58**	**2.04**	**24.23**
Application Software	2.63	-4.34	-3.58	-5.13	4.07
Communications Equipment	0.87	-7.46	-4.50	-3.36	13.36
Electronic Components	0.40	-1.29	9.17	10.27	94.64
Electronic Equipment & Instruments	0.14	1.13	-5.16	-5.03	1.86
Electronic Manufacturing Services	0.16	-1.01	8.17	7.44	64.31
Internet Software & Services	0.08	2.22	-7.52	-8.05	-16.66
IT Consulting & Services	0.82	-0.71	3.76	5.43	-1.70
Semiconductor Equipment	0.98	0.33	7.06	16.60	75.55
Semiconductors	12.64	-6.01	3.23	4.82	44.02
Systems Software	8.07	-5.32	-6.50	-4.51	17.94
Technology Distributors	0.03	-9.72	-10.04	-11.13	-18.66
Technology Hardware, Storage & Peripherals	6.97	-0.58	5.06	6.07	9.81
Materials	**1.55**	**-1.72**	**-6.00**	**-5.92**	**1.35**
Commodity Chemicals	0.05	-6.48	-8.48	-7.69	-43.92
Construction Materials	0.12	-1.02	-5.22	-5.26	14.42
Copper	0.09	-7.38	-4.14	-1.45	1.50

Fertilizers & Agricultural Chemicals	0.10	-0.19	-8.32	-10.46	4.23
Gold	0.15	0.27	-6.76	-2.11	121.73
Industrial Gases	0.41	-1.44	-9.88	-10.97	-3.23
Metal & Glass Containers	0.02	2.30	-2.52	-4.05	-12.25
Paper Packaging	0.14	-0.63	-7.94	-9.93	-22.86
Specialty Chemicals	0.37	-1.71	-3.22	-2.59	-3.43
Steel	0.09	-3.37	7.18	7.91	27.69
Real Estate	**1.80**	**-0.30**	**-1.87**	**-3.05**	**0.31**
Data Center REITs	0.23	-1.56	0.10	1.58	-10.06
Health Care REITs	0.30	2.48	3.66	1.63	27.55
Hotel & Resort REITs	0.02	7.71	4.21	1.76	-1.14
Industrial REITs	0.19	-0.19	5.87	8.28	17.31
Multi-Family Residential REITs	0.00	-0.25	-5.28	-8.21	-17.52
Office REITs	0.02	-0.47	-6.05	-5.70	-5.73
Other Specialized REITs	0.10	0.24	-6.46	-5.14	-1.06
Real Estate Service	0.12	-2.44	-8.66	-11.50	5.31
Retail REITs	0.24	0.30	-2.88	-5.63	0.69
Self-Storage REITs	0.12	-2.57	-6.44	-5.88	-10.07
Single-Family Residential REITs	0.12	-2.57	-6.44	-5.88	-10.07
Telecom Tower REITs	0.23	-1.22	-3.74	-6.73	-3.22
Timber REITs	0.03	-2.89	-8.53	-7.91	-18.90
Utilities	**2.25**	**-1.47**	**-1.52**	**1.30**	**16.63**
Electric Utilities	1.47	-2.15	-0.94	2.99	18.38
Gas Utilities	0.05	1.23	1.25	2.77	26.00
Independent Power Producers & Energy Traders	0.12	-2.13	-6.87	-3.99	30.27
Water Utilities	0.04	2.21	-6.79	-6.96	4.03
Multi-Utilities	0.57	-0.02	-1.72	-1.24	10.07

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

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DOW JONES: 46912.30
S&P 500: 6720.32
NASDAQ: 23054.00

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Market Perform (Hold)	28	Market Perform (Hold)	3
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