

Economics Weekly

The Capital Investment Wave Continues

Equity Research
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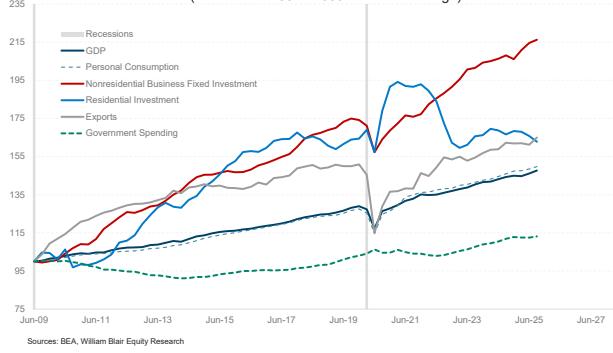
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One of our enduring [themes](#) for several years now has been the unfolding capex revival. While there have been a few false starts for the manufacturing sector, which has been in recession for the better part of three years now, we think a recovery is finally gaining traction. In the equity markets, this should be increasingly reflected across a broader group of industrial companies. We view this as a structural revival that is being supported by four key pillars—a tight labor force, an aging capital stock, an innovation boom, and government intervention. **In this *Economics Weekly*, we outline our key arguments for this structural revival and what has changed over the last year or so, particularly with regard to the policies that the Trump administration is attempting to institute.**

Exhibit 1 shows that business fixed investment has been the fastest-growing economic sector since the pandemic. Notably, that growth has also continued despite the sharp rise in interest rates, which has crushed residential investment over this period.

Exhibit 1
GDP Growth by Sector
(Rebased to 100 at 2009 Economic Trough)



A Structurally Tight Labor Market

The first pillar supporting this capex expansion is the current regime shift from a global supply glut of labor to a structural supply shortage. The glut was brought about by the baby boomers entering the workforce (particularly the increased percentage of women working), supplemented by globalization and outsourcing, and mass immigration. This demographic expansion was further buttressed by millennials and echo boomers entering the labor force. In addition, better health and less manual labor has meant that baby boomers have been able to extend their working lives and retire later.

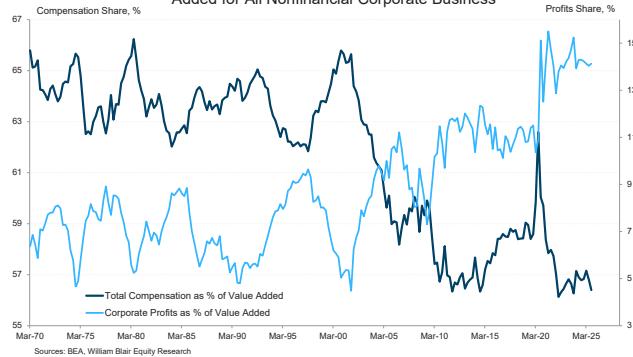
Throughout this period, the abundance of labor, the crushing of the labor unions, and the threat of outsourcing meant that employee compensation was squeezed

for the benefit of corporate profit margins (exhibit 2). If companies were given the choice between dipping into a deep pool of cheap and flexible labor or investing in more-expensive and inflexible capital that depreciates over time, companies naturally chose labor over capital.

This shift also helps to explain why productivity growth has been so poor for decades: quite simply, companies did not need it when labor was cheap and abundant. That is now changing.

Exhibit 2

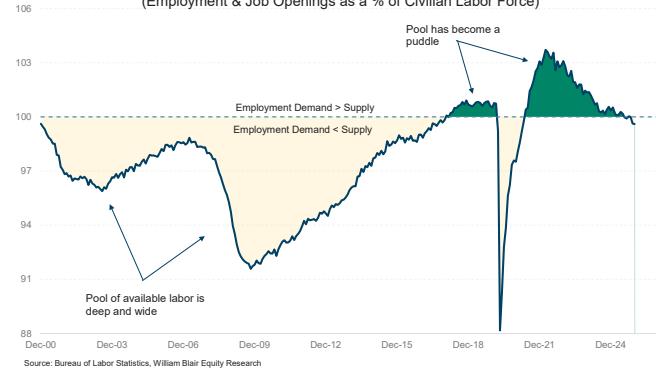
Employee Compensation Share of Value Added vs Profits Share of Gross Value Added for All Nonfinancial Corporate Business



Since the pandemic and even in the few years prior to its onset, that pool of available labor has been shrinking, and demand is now greater than the available supply (exhibit 3). Boomers are retiring, the birth rate is much lower, and economic policy has shifted from one of open borders and encouraging greater immigration to closed borders and deportations.

Exhibit 3

Demand for Labor as a Share of Total Supply of Labor, %
(Employment & Job Openings as a % of Civilian Labor Force)



Indeed, this sentiment on labor shortages was captured in the most recent December NFIB Small Business Jobs Report, where companies remarked:

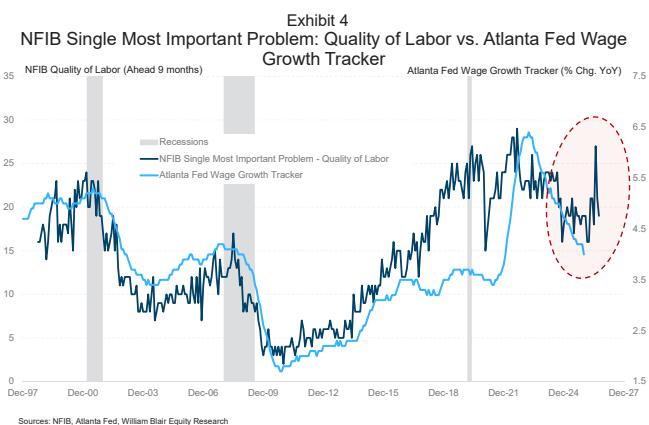
We are unable to find anyone willing to work. We have to pass on jobs because we do not have enough employees. – Manufacturing, TN

We are a niche business, requiring highly skilled employees. We lost three and are struggling to meet customers' expectations. Most of our work is custom fabrication of vehicles, including engine swaps, custom paint and body modifications. Very difficult to find and retain people with these specialized skills. – Services, TX

Businesses that find a way to improve the number of skilled employees and maintain that aspect of business will be able to exceed expectations they set for themselves. The construction industry is lacking currently with skilled numbers of employees and the future looks worse. This holds back any possibility of a small business expansion, simply because there is a lack of people to get them there.
– Construction, MO

Qualified applicants? Where are they? – Retail, MO

These shortages could start to shift the historical dynamics depicted in exhibit 2, putting more upward pressure on wages and salaries, and threatening those margins. To offset this, companies know they increasingly need to invest in automation, innovation, and productivity initiatives (exhibit 4).



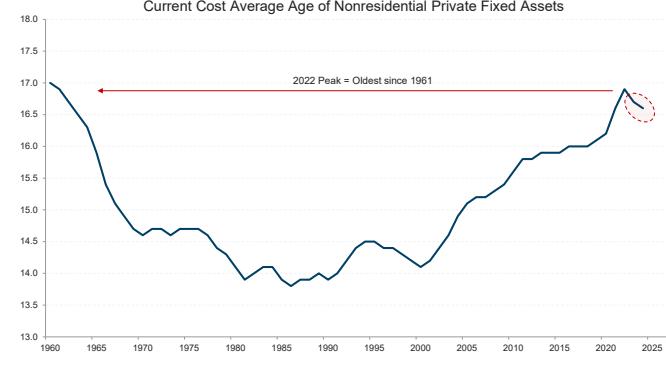
Renewing an Aging Capital Stock

The second pillar is the need to update the capital stock.

Companies increasingly came to this realization during the pandemic, when most of the workers went home and few were left to keep the old machines running efficiently. At that point the average age of the capital stock had reached 16.9 years, or the oldest it has been since 1961, with many of those machines being held together with sticky tape and bubble gum (exhibit 5).

Since then, companies have started to invest, and the average age is beginning to slowly come back down, though there is still plenty of room to go.

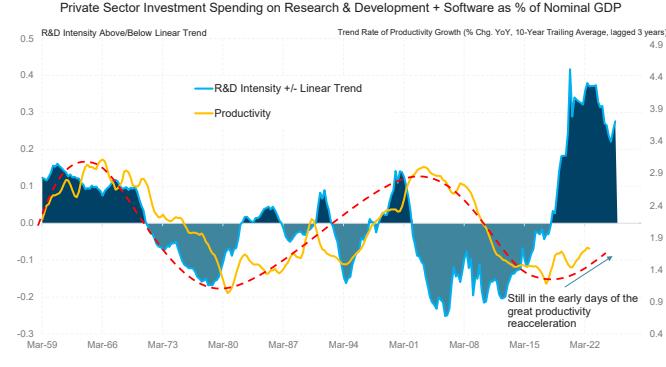
Exhibit 5
Average Age of the Capital Stock
Current Cost Average Age of Nonresidential Private Fixed Assets



The Innovation Wave and Still Early Days in the Productivity Super-Cycle

The global economy is still quite clearly setting the foundations upon which to support the third pillar—an innovation wave.

Exhibit 6
R&D Intensity vs. Productivity Growth
Private Sector Investment Spending on Research & Development + Software as % of Nominal GDP



William Blair

In theory, if what drives productivity growth is innovation, and what drives innovation is more R&D expenditure, periods of above-trend R&D intensity (R&D spending as a share of GDP) should result—with a lag—in rising periods of productivity growth. Happily, as exhibit 6 shows, the reality is that this is roughly true. However, it takes years for that R&D to move from the lab to the shop floor before it can then proliferate across the wider economy by enough to have a noticeable impact on aggregate productivity statistics.

In recent years, the surge in R&D intensity has been the result of tech companies and venture capitalists across Silicon Valley throwing money at start-ups in the hope of striking gold. And while there are many examples of innovations that have and will fall by the wayside in the process (VR goggles?), history also shows us that these products can be resurrected or reincarnated in a different form further down the road—e.g., X-rays, graphene, microwaves, and SMS text messaging.

The reality is that today, in areas like AI, we are still only just starting to gain economic traction. Corporate performance indicates that we are still largely in the enabling phase, before increasingly moving toward the even more powerful adoption and productivity enhancing phase. As depicted in exhibit 6, these cycles have historically lasted anywhere from 20 to 50 years; at present, we seem to be only about 7 years in from what looks like a 2017 structural trough in productivity growth, suggesting that we have more than a decade of continued growth ahead.

From the Invisible Hand of Economic Policy to the Visible Fist of Statecraft

It is safe to say that both Democrats and Republicans have been incredulous regarding the rise of China from an agrarian economy in the early 1980s to a state-run global superpower in just a few short decades. They also share a bipartisan concern about the continued use of unfair and anticompetitive trading practices that has driven that transition and the competitive and defensive security threat it now poses to the U.S. and its global hegemony.

The Biden administration attempted to tackle this with tactical policy choices (the carrot)—the introduction of the CHIPS and Science Act (\$53 billion), the Infrastructure Investment and Jobs Act (\$1.2 trillion), and the Inflation Reduction Act (\$780 billion)—and faith that an innovative free market capitalist system would still end up on top.

The Trump administration, conversely, is taking a far more aggressive and possibly riskier hands-on approach, using a combination of both carrots and sticks—as well as every other tool at its disposal (economic, political, and military)—to achieve its desired economic and geopolitical goals.

This is effectively a regime shift from a policy-driven economic system (i.e., taking individual targeted policy actions to solve specific problems) to statecraft (i.e., the adoption of a broader strategic vision to achieve its goals by wielding state power globally to advance its national interests and navigate the international system).

Treasury Secretary Bessent's stated goal is for the U.S. to effectively swap growth strategies with China. This would move the U.S. from a consumer-driven and highly financialized nation, with a large debt and current account deficit, to a reindustrialized, deleveraged, investment- and export-led nation, with a current account surplus (or a much smaller deficit)—all of which will require a significant amount of new capital investment.

As outlined in the National Security Strategy [document](#) from November, and as [stated](#) by Bessent here:

So I think that this is the beginning of a process. We're going to reindustrialize. We've gone to a highly financialized economy. We've stopped making things—especially a lot of things that are relevant for national security. I think one of the few good outcomes from COVID was we had a beta test for what maybe a kinetic war with a large adversary could look like. And it turned out that these highly efficient supply chains were not strategically secure. So we don't make our own medicines. We don't make our own semiconductors. We don't make our own ships anymore. So I think if I were to say, "Was there any good outcome from COVID?" it was—it woke the world up to these supply chain problems.

— Treasury Secretary Scott Bessent, 7 April 2025

Simultaneously, the U.S. would like to achieve this while maintaining dollar, economic, monetary, energy, raw material, technological, and military dominance globally. It is attempting to do this using multiple strategies, including:

- Fiscal stimulus via the OBBB, which among other things allows companies a permanent 100% accelerated depreciation allowance for capital expenditures;

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- Increasing military spending, e.g., raising the budget for 2027's defense spending from \$1 trillion in 2027 to \$1.5 trillion;
- Encouraging targeted foreign and domestic investment in technology, energy, shipbuilding, and supply chains, which the administration estimates at more than \$9.6 trillion—this includes \$1.4 trillion from the UAE, \$1.2 trillion from Qatar, and \$1 trillion from Japan, with Meta pledging \$600 billion and JP Morgan \$10 billion, in addition to pledging loans of \$1.5 trillion;
- Lowering regulation to encourage greater reshoring;
- Expanding use of U.S. Treasury-backed stablecoins;
- Imposing tariffs and striking new trade deals;
- Attempting to exert greater control over monetary policy, potentially including the Fed's powerful international swap facility;
- Increasing control over geostrategically located foreign economies and/or those endowed with critical raw materials; and
- Taking domestic equity stakes in mission critical tech, energy, and raw material companies.

In addition, while it is not the stated policy of this administration—and they have fully distanced themselves from Stephen Miran's Mar-a-Lago Accord document—the advent of a weaker dollar helps to further accelerate these goals. A weak dollar increases the attractiveness of the U.S. as a global exporter and makes foreign goods that much more expensive. It is perhaps unsurprising that President Trump this week shrugged off the recent decline in the dollar as being “great” (exhibit 7).

Exhibit 7
Dollar Index (DXY)



Sources: Bloomberg, ICE, William Blair Equity Research

The recent strong performance from the energy, materials, and industrial stocks, as well as raw industrial commodity prices (exhibit 8), in addition to what we have already witnessed from the tech sector as a precursor to this capital investment wave, would suggest that these major drivers of capital reinvestment are gaining traction among investors and increasingly the real economy, with still plenty of runway left (exhibit 9).

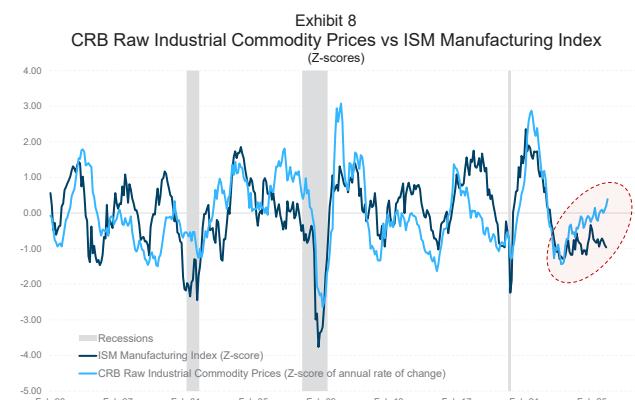
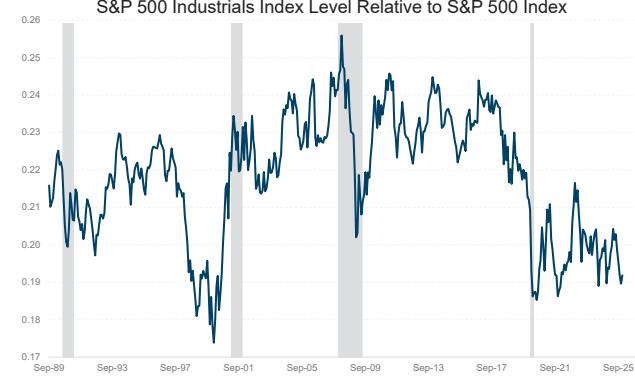


Exhibit 9
S&P 500 Industrials Index Level Relative to S&P 500 Index



Conclusion

The U.S. is now in the early stages of a durable capital expenditure revival—one we have been anticipating for several years. This is being underpinned by 1) a structurally tight labor market that is driving investment in capital and automation; 2) an aging capital stock that is already starting to be renewed; 3) a powerful innovation wave that is dragging along with it a boom in the energy sector and raising productivity growth, which are encouraging further investment; and 4) greater government

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intervention, with a focus on the reindustrialization of the American economy, accompanied by increased security and defense capabilities.

In recent years, we witnessed the impact of this buildout taking place across the technology sector in the equity markets. We believe it is now increasingly also being reflected in the positive performance for a broader group of stocks across the industrial and energy space, as this manufacturing and capital investment recovery continues to gain traction.

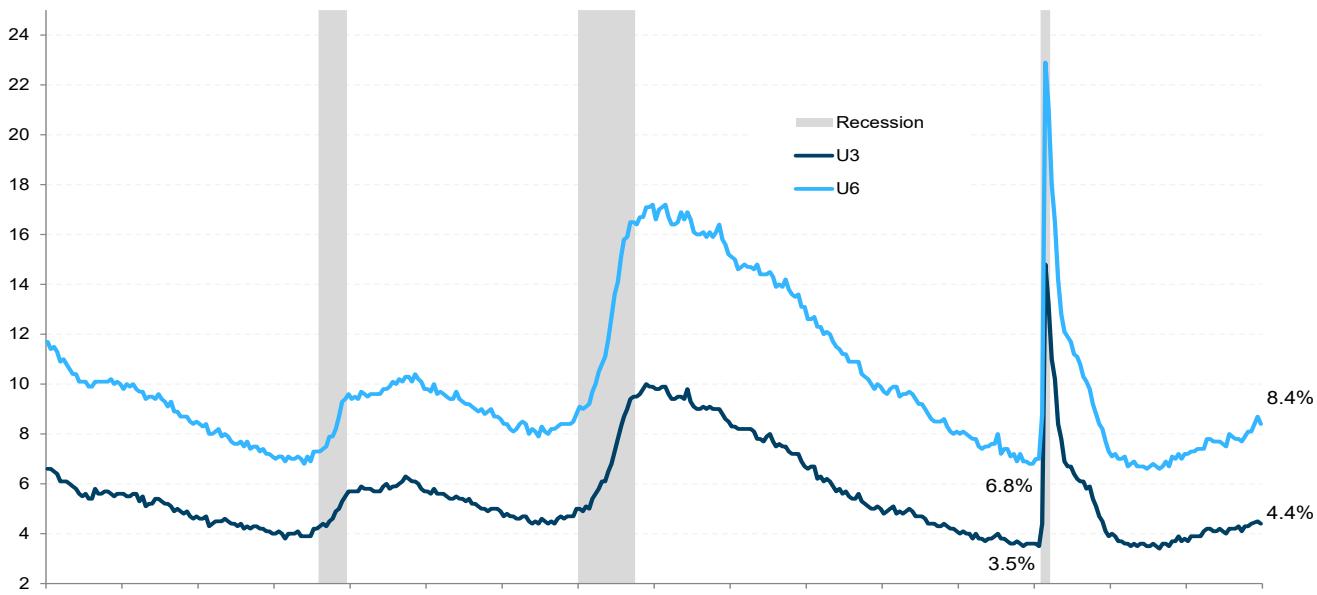
Highlights in the Week Ahead

Date	Time (ET)	Indicator	Last	Consensus	WB Estimate	Actual
2 Feb	10:00 a.m.	ISM Manufacturing (Jan)	47.9	48.3	49.6	
3 Feb	10:00 a.m.	JOLTS (Dec)	7,146K	NA	NA	
4 Feb	10:00 a.m.	ISM Services (Jan)	54.4	53.3	53.5	
5 Feb	8:30 a.m.	Nonfarm Payrolls (Jan)	50K	70K	100K	
		Unemployment Rate	4.4%	4.4%	4.4%	
		Average Hourly Earnings	0.3%	0.3%	0.3%	

Sources: Bloomberg, William Blair Equity Research

Indicator of the Week: Employment Situation

Headline Unemployment Rate vs U-6 Underemployment Rate, %



Source: BLS, William Blair Equity Research. U-6 = Total unemployed, plus all persons marginally attached to the labor force, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all persons marginally attached to the labor force

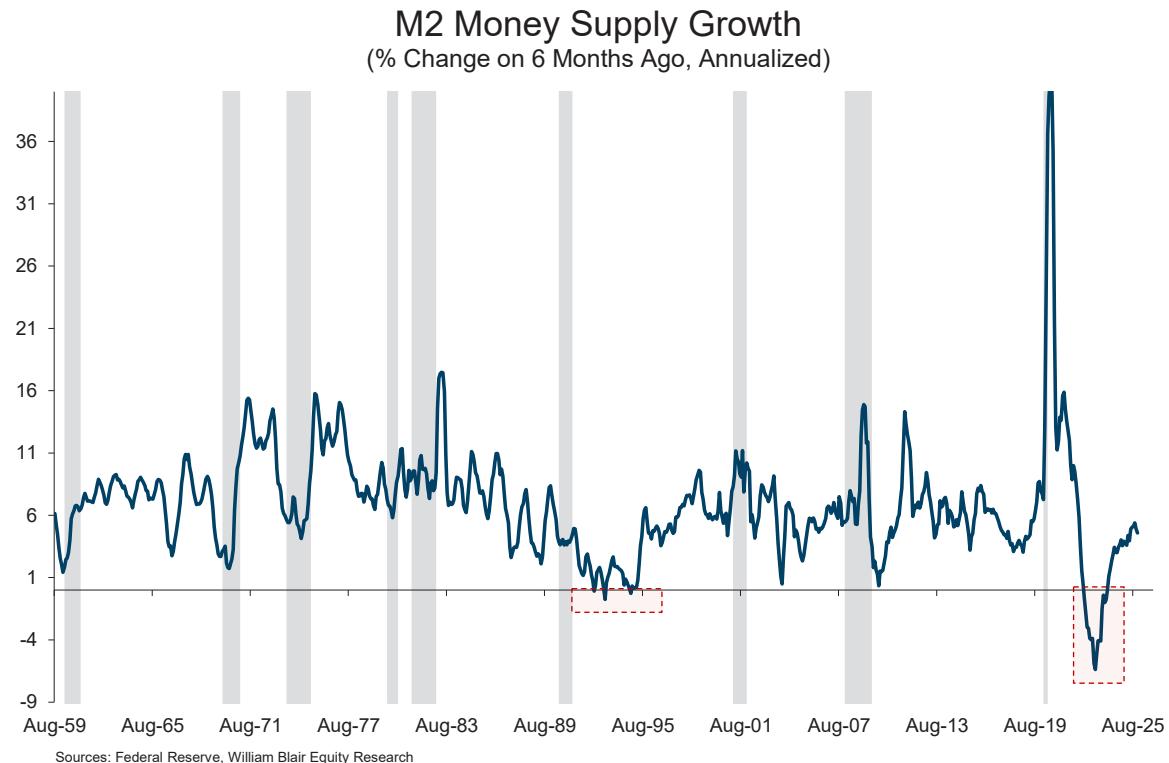
Economic Scorecard

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

	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	Dec-25	Jan-26
Growth																			
US Leading Indicators	-4.7	-4.6	-4.3	-3.7	-3.0	-3.0	-2.7	-3.0	-3.6	-4.3	-3.9	-4.0	-3.5	-3.5	-3.3	-3.2	-3.2	-3.7	
US Coincident Indicators	1.7	1.7	1.6	1.6	1.3	1.7	1.5	1.5	1.8	2.0	1.4	1.3	1.6	1.4	1.1	1.1	1.2	1.2	
US Lagging Indicators	1.0	0.8	0.3	0.1	0.0	0.1	-0.1	0.1	-0.1	-0.2	0.7	0.4	0.4	0.5	1.2	1.0	0.8	0.8	
Consumer																			
Total Retail Sales	3	1.8	2	3.2	3.9	4.6	4.6	3.9	5.1	5	3.4	4.4	4.1	5	4.1	3.3	3.3	3.3	
Personal Income	5.6	5.4	5.3	5.5	5.3	5.3	5	5	5.2	5.6	4.5	4.3	4.6	4.7	4.7	4.3	4.3	4.3	
Real Disposable Personal Income	2.9	2.8	2.8	2.7	2.4	2.2	1.8	1.8	2.3	2.8	1.5	1.2	1.5	1.5	1.5	1.2	1	1.2	
Real Personal Consumption	3	3	3.4	3.3	3.2	3.6	3.3	2.7	3.2	3.1	2.5	2.5	2.6	2.8	2.4	2.6	2.6	2.6	
Personal Saving Rate (%)	5.3	5.2	4.8	5	4.9	4.3	5.1	5.2	5.1	5.5	4.9	4.6	4.3	4.1	4	3.7	3.5	3.5	
Consumer Confidence (Conference Board)**	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	95.5	92.9	94.2	
Employment																			
Employment Growth	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	0.8	0.7	0.5	0.4	
ASA Temporary Staffing Index	-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	4.5	7.3	
ISM Employment Index Manufacturing*	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	44	44.9	
ISM Employment Index Services*	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	48.9	52	
Unemployment Rate, %	4.2	4.2	4.1	4.1	4.2	4.1	4	4.2	4.2	4.2	4.3	4.1	4.3	4.3	4.4	4.4	4.5	4.4	
Average Hourly Earnings	3.6	4	3.9	4.1	4.2	4	3.9	3.9	3.9	3.8	3.8	3.7	3.9	3.8	3.7	3.7	3.6	3.8	
Initial Jobless Claims (avg. wkly. chg. '000s)	237	230	225	236	219	222	218	227	223	226	235	241	221	231	235	225	215	219	
Jop Openings	-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	7.8	-2.2	-11.0	-4.8	
Layoff Announcements	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	23.5	-8.3	
Housing Market																			
Housing Starts	-13.4	5.6	-1	-1.2	-14.5	-0.5	-1.7	-4	3.3	0.9	-2.6	4.1	12.3	-7.2	-3.8	-7.8			
New Home Sales	1.1	7.4	5.3	-8.8	10.7	11.7	-2.8	-2.4	-4.6	-1.8	-5.7	-1.3	-10	2.6	2.9	18.7			
Existing Home Sales	-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	3.9	2.0			
Median House Price (Existing Homes)	-1.6	-8	-1.2	2.1	-7.4	1.1	-0.2	-1.4	-5.4	-0.4	2.5	-1.2	-7.4	3.5	-3.6	-8			
Existing Homes Inventory (Mths' supply)	3.7	3.9	3.9	3.9	3.8	3.7	3.9	3.8	4.2	4.3	4.3	4.4	4.3	4.4	4.3				
New Homes Inventory (Mths' supply)	7.9	8.2	7.9	9.3	8.7	8.2	9	9.3	9.2	8.5	9.6	9.1	9.3	8.3	7.9	7.9			
NAHB Homebuilder Sentiment*	41	39	41	43	46	46	47	42	39	40	34	32	33	32	32	37	38	39	
Inflation																			
Consumer Price Index	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	3	2.7		
CPI Less-food & energy	3.2	3.2	3.3	3.3	3.2	3.2	3.1	2.8	2.8	2.8	2.9	3.1	3.1	3	3	2.6			
Producer Price Index	2.4	2.1	2.1	2.8	2.9	3.5	3.8	3.4	3.2	2.4	2.7	2.4	3.2	2.7	3	2.8	3		
PPI Less-food & energy	2.6	2.8	3.3	3.6	3.4	3.7	3.9	3.7	3.8	3.1	3.2	2.7	3.5	2.9	2.9	2.9	3		
PCE Price Index	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	2.8	2.7	2.8		
PCE Prices Less-food & energy	2.8	2.9	2.8	3.0	3.0	2.8	3.0	2.7	2.6	2.8	2.8	2.9	2.8	2.7	2.8	2.7	2.8		
Business Activity - US																			
Industrial Production	-0.9	-0.4	-1.2	-1.0	-1.6	-0.3	0.9	0.8	0.6	0.9	0.1	0.6	1.9	1.2	2.0	2.1	2.7	2.0	
New Cap Gds Orders less-aircraft & parts	-0.6	-1.8	0.5	0.2	-1.1	1.9	3.3	-0.9	2.2	0.5	2.2	4.5	4.4	2.5	5.3	6	4.3		
Business Inventories	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	1.4	1	1.3	1.4		
ISM Manufacturing PMI*	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	48.2	47.9	
Markit US Manufacturing PMI*	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	52.2	51.8	
ISM Services Index*	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	52.6	54.4	
Markit US Services PMI*	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	54.1	52.5	
Business Activity - International																			
Germany Manufacturing PMI Markit/BME*	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	48.2	47	
Japan Manufacturing PMI Jibun Bank*	49.1	49.9	49.7	49.2	49	49.6	48.7	49	48.4	48.7	49.4	50.1	49	49.7	48.5	48.2	48.7	50	
Caixin China Manufacturing PMI*	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	49.9	50.1	
China Manufacturing PMI*	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	49.2	50.1	
UK Manufacturing PMI Markit/CIPS*	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	50.2	50.6	
France Manufacturing PMI Markit*	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	47.8	50.7	
Currencies***																			
Euro (EUR/USD)	-1.6	1.9	5.3	2.9	-2.9	-0.2	-4.2	-4.0	0.2	6.2	4.6	10.0	5.4	5.8	5.4	6.0	9.7	13.4	
Renminbi (USD/CNY)	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	-2.4	-4.3	
Yen (USD/Yen)	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	4.3	-0.3	
Sterling (GBP/USD)	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	3.9	7.7	
Canadian \$ (USD/CAD)	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	-0.2	-4.6	
Mexican Peso (USD/MXN)	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	-10.2	-13.5	
US Equities																			
S&P 500	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	13.5	16.4	
S&P 400 Midcap	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	-1.7	5.9	
S&P 600 Smallcap	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	-4.0	4.2	
Russell 2000	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	2.7	11.3	

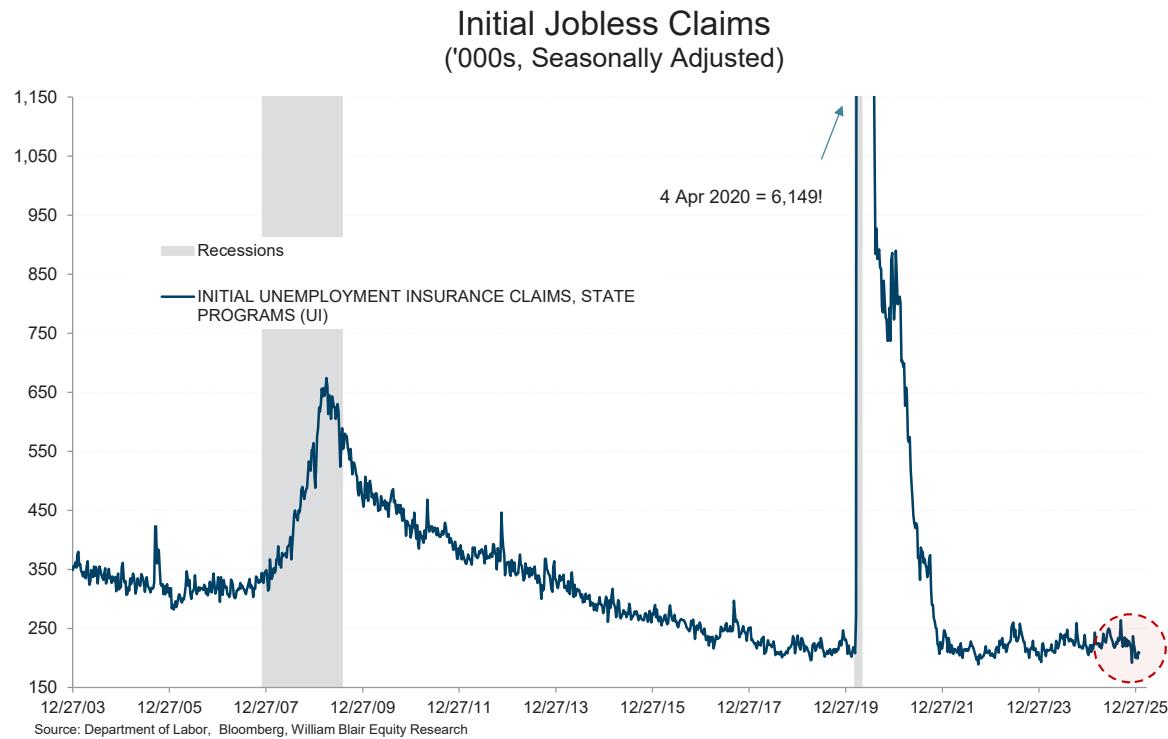
* Diffusion Index, **1985=100, ***Currencies - green/red = strengthening/weakening foreign currency vs dollar
 Source: ISM, Federal Reserve, Census Bureau, Bureau of Labor Statistics, Conference Board, Bloomberg, William Blair

Other Economic Indicators

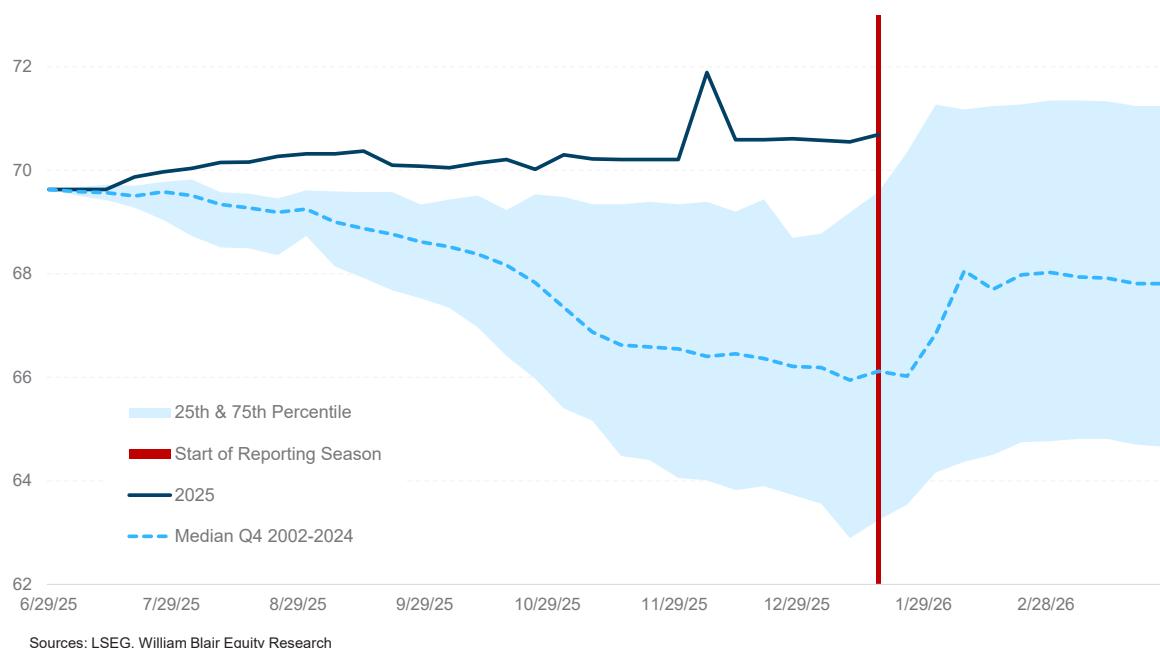


Goldman Sachs U.S. Financial Conditions Index

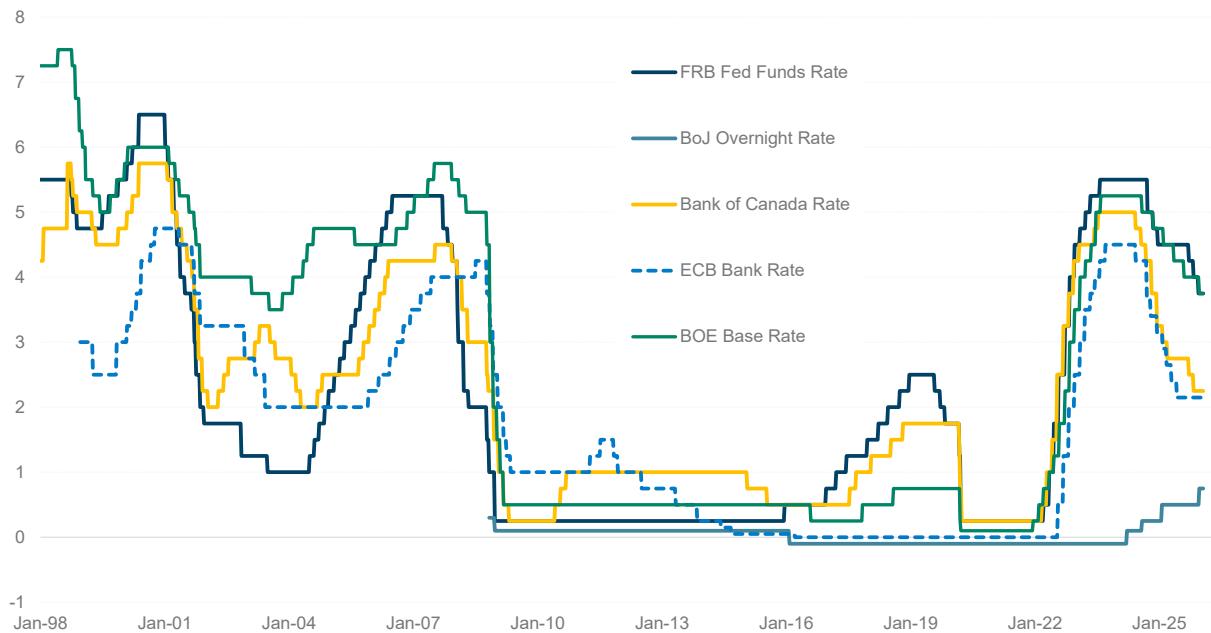




Progression of S&P 500 Q4 EPS Estimates, Q4 2025 vs Median Q4 2002-2024
(Rebased to Q4 2025 Estimate at End of Q2 2025 of \$69.5 per share)

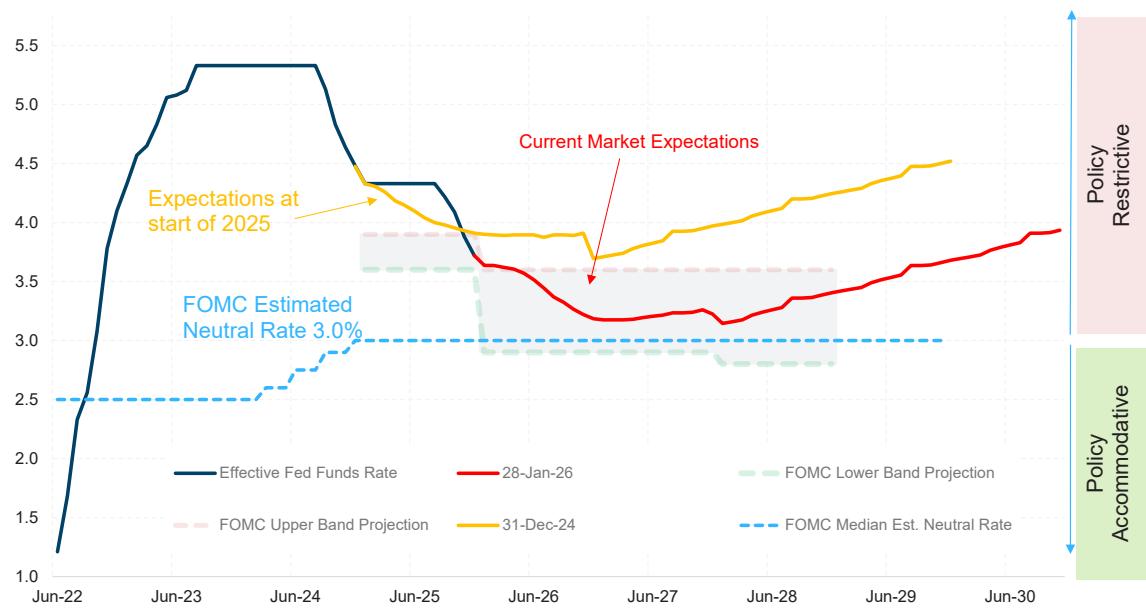


Central Bank Target Short-Term Interest Rates, %



Sources: Bloomberg, William Blair Equity Research

Fed Funds Rate Futures Market Expectations & FOMC Projections, %



Sources: Bloomberg, William Blair Equity Research

S&P 500 Sector Performance

Global Industry Classification System	Current Weight* 29-Jan-26	Week Ago 22-Jan-26	Month Ago 29-Dec-25	Qtr-to-Date 31-Dec-25	Year-to-Date 31-Dec-25
S&P 500 Index	100.00	0.81	0.92	1.80	1.80
S&P 400 MidCap Index	-1.43	3.54	5.03	5.03	
S&P 600 SmallCap Index	-1.97	4.23	6.32	6.32	
Dow Jones Industrials	-0.63	1.26	2.10	2.10	
Nasdaq Composite	1.06	0.90	1.91	1.91	
Communication Services	10.84	4.53	5.85	5.93	5.93
Advertising	0.06	-8.58	-10.91	-10.70	-10.70
Broadcasting	0.07	-1.10	-4.01	-3.29	-3.29
Cable & Satellite	0.04	-0.60	-9.05	-9.08	-9.08
Integrated Telecommunication Services	0.70	2.82	0.74	0.30	0.30
Interactive Home Entertainment	0.15	-0.47	-3.24	-3.32	-3.32
Interactive Media & Services	8.44	5.71	9.09	9.15	9.15
Movies & Entertainment	1.04	-0.73	-7.69	-7.28	-7.28
Publishing & Printing	0.02	-0.19	2.18	2.71	2.71
Wireless Telecommunication Svcs	0.33	2.10	-6.83	-6.78	-6.78
Consumer Discretionary	10.71	-0.63	0.63	1.77	1.77
Apparel Retail	0.35	-2.93	-3.49	-2.08	-2.08
Apparel & Accessories & Luxury Goods	0.09	-5.15	-7.89	-6.17	-6.17
Auto Parts & Equipment	0.03	1.68	2.65	3.60	3.60
Automobile Manufacturers	2.64	-6.19	-8.10	-6.12	-6.12
Automobile Retail	0.32	-3.36	5.06	6.43	6.43
Broadline Retail	4.09	3.11	4.22	4.79	4.79
Casinos & Gaming	0.09	-8.40	-15.42	-14.36	-14.36
Computer & Electronics Retail	0.02	-2.85	-3.97	-2.66	-2.66
Consumer Electronics	0.06	-0.72	-0.46	0.89	0.89
Distributors	0.04	-0.33	11.54	12.55	12.55
Footwear	0.14	-3.94	1.25	-2.06	-2.06
Home Furnishings	0.01	-4.20	9.60	9.78	9.78
Home Improvement Retail	0.81	-2.59	7.68	8.76	8.76
Homebuilding	0.18	-2.36	4.92	6.14	6.14
Hotels, Resorts & Cruise Lines	0.86	3.27	1.01	2.37	2.37
Leisure Products	0.02	1.93	9.21	10.32	10.32
Restaurants	0.85	0.48	1.92	3.14	3.14
Other Specialty Retail	0.09	-6.05	2.34	3.12	3.12
Consumer Staples	5.33	0.12	5.28	6.09	6.09
Agricultural Products	0.08	0.51	19.14	20.31	20.31
Brewers	0.01	-4.40	2.06	1.91	1.91
Consumer Staples Merchandise Retail	2.40	-1.18	6.19	7.13	7.13
Distillers & Vintners	0.05	-3.71	10.07	10.46	10.46
Food Distributors	0.06	9.46	12.96	14.14	14.14
Food Retail	0.06	-1.44	-1.53	-1.17	-1.17
Household Products	0.76	-0.46	4.06	4.89	4.89
Packaged Foods & Meats	0.37	0.85	1.42	2.50	2.50
Personal Care Products	0.09	-3.32	3.57	4.22	4.22
Soft Drinks	0.99	1.81	3.31	3.84	3.84
Tobacco	0.59	2.74	8.15	8.88	8.88
Energy	2.99	3.50	13.53	13.26	13.26
Integrated Oil & Gas	1.53	4.31	15.32	14.99	14.99
Oil & Gas Equipment & Services	0.24	0.43	25.08	24.12	24.12
Oil & Gas Exploration & Production	0.59	4.75	8.48	8.22	8.22
Oil & Gas Refining & Marketing & Transportation	0.26	-0.29	9.92	10.64	10.64
Oil & Gas Storage & Transportation	0.38	3.33	10.14	9.82	9.82

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	12.07	-0.42	-3.35	-2.33	-2.33
Financials					
Asset Management & Custody Banks	1.03	-2.68	-1.42	0.19	0.19
Consumer Finance	0.64	-4.49	-7.71	-6.38	-6.38
Diversified Banks	3.01	1.04	-3.54	-2.70	-2.70
Diversified Financial Services	7.16	-1.43	-3.35	-2.23	-2.23
Financial Exchanges & Data	1.00	-1.48	0.38	2.16	2.16
Insurance Brokers	0.44	0.50	-3.96	-2.67	-2.67
Investment Banking & Brokerage	1.40	-1.38	1.67	3.43	3.43
Life & Health Insurance	0.28	1.74	-0.56	-0.01	-0.01
Multi-Sector Holdings	1.02	-1.59	-4.84	-5.15	-5.15
Property & Casualty Insurance	0.88	1.56	-5.27	-4.69	-4.69
Regional Banks	0.28	0.67	3.74	5.32	5.32
Reinsurance	0.02	2.45	-3.07	-2.87	-2.87
Transaction & Payment Processing	1.94	0.44	-6.57	-5.40	-5.40
Health Care	9.02	-2.84	-1.39	-0.75	-0.75
Biotechnology	1.57	1.19	1.37	2.55	2.55
Health Care Distributors	0.36	0.53	0.89	1.91	1.91
Health Care Equipment	1.73	-1.68	-4.87	-4.28	-4.28
Health Care Facilities	0.19	2.65	-0.09	1.75	1.75
Health Care Services	0.34	-5.72	-2.92	-2.28	-2.28
Health Care Supplies	0.06	-3.42	-1.22	-0.48	-0.48
Life Sciences Tools & Services	0.86	-6.72	-1.09	-0.14	-0.14
Managed Health Care	0.62	-15.38	-8.91	-9.29	-9.29
Pharmaceuticals	3.29	-1.70	0.72	1.19	1.19
Industrials	8.14	0.20	5.69	6.91	6.91
Aerospace & Defense	2.19	-0.87	6.19	7.11	7.11
Agricultural & Farm Machinery	0.22	1.47	12.72	13.85	13.85
Air Freight & Logistics	0.31	0.90	8.74	9.91	9.91
Building Products	0.44	4.03	5.09	6.64	6.64
Cargo Ground Transportation	0.09	-2.99	6.72	8.57	8.57
Construction & Engineering	0.23	3.41	16.22	18.55	18.55
Construction Machinery & Heavy Trucks	0.77	1.57	13.48	14.77	14.77
Data Processing & Outsourced Services	0.04	-6.59	-13.82	-12.19	-12.19
Diversified Support Svcs	0.18	-2.00	0.23	1.56	1.56
Electrical Components & Equipment	0.56	2.81	10.24	11.85	11.85
Environmental & Facilities Services	0.33	-1.84	0.19	1.47	1.47
Heavy Electrical Equipment	0.30	8.42	8.13	9.76	9.76
Human Resource & Employment Services	0.24	-5.14	-6.61	-5.65	-5.65
Industrial Conglomerates	0.35	0.32	7.73	8.83	8.83
Industrial Machinery	0.66	-0.63	4.22	5.90	5.90
Passenger Airlines	0.16	-0.51	-0.54	-0.68	-0.68
Passenger Ground Transportation	0.26	-1.04	0.24	-0.02	-0.02
Railroads	0.43	2.03	0.42	1.74	1.74
Research & Consulting Svcs	0.15	-2.81	-3.07	-1.30	-1.30
Trading Companies & Distributors	0.23	-7.39	1.88	3.84	3.84
Information Technology	31.64	1.53	-1.47	-0.36	-0.36
Application Software	2.20	-5.11	-16.83	-14.98	-14.98
Communications Equipment	0.90	5.48	4.33	5.42	5.42
Electronic Components	0.42	1.24	11.16	12.72	12.72
Electronic Equipment & Instruments	0.12	0.84	9.95	11.55	11.55
Electronic Manufacturing Services	0.14	-1.68	-0.72	1.46	1.46
Internet Software & Services	0.08	-2.41	-4.31	-3.05	-3.05
IT Consulting & Services	0.80	-0.87	-1.40	0.96	0.96
Semiconductor Equipment	1.34	10.26	34.27	38.06	38.06
Semiconductors	12.64	3.20	4.47	5.55	5.55
Systems Software	6.44	-4.00	-11.28	-10.61	-10.61
Technology Distributors	0.03	-3.17	-9.68	-8.08	-8.08
Technology Hardware, Storage & Peripherals	6.52	4.61	-2.98	-2.19	-2.19
Materials	1.87	1.52	9.74	10.69	10.69
Commodity Chemicals	0.05	-3.72	15.76	15.85	15.85
Construction Materials	0.25	-0.59	-0.31	1.88	1.88
Copper	0.15	10.67	26.51	28.23	28.23

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Fertilizers & Agricultural Chemicals	0.12	3.16	12.22	13.01	13.01
Gold	0.22	4.30	27.17	27.12	27.12
Industrial Gases	0.42	0.97	5.94	6.05	6.05
Metal & Glass Containers	0.02	0.50	6.42	6.80	6.80
Paper Packaging	0.15	-0.74	3.56	4.45	4.45
Specialty Chemicals	0.39	0.26	9.29	10.40	10.40
Steel	0.11	0.53	7.39	9.18	9.18
Real Estate	1.74	0.91	1.80	2.65	2.65
Data Center REITs	0.22	4.72	7.83	7.98	7.98
Health Care REITs	0.29	0.89	-1.35	0.74	0.74
Hotel & Resort REITs	0.02	-0.80	1.47	5.25	5.25
Industrial REITs	0.19	2.95	1.50	2.15	2.15
Multi-Family Residential REITs	0.00	-0.06	-3.18	-2.66	-2.66
Office REITs	0.02	-0.59	-5.79	-3.66	-3.66
Other Specialized REITs	0.09	-0.57	5.25	5.44	5.44
Real Estate Service	0.12	-1.81	-0.29	1.22	1.22
Retail REITs	0.24	1.01	3.28	4.37	4.37
Self-Storage REITs	0.12	-3.27	6.68	6.80	6.80
Single-Family Residential REITs	0.12	-3.27	6.68	6.80	6.80
Telecom Tower REITs	0.22	1.88	0.84	0.89	0.89
Timber REITs	0.03	-3.22	8.91	9.46	9.46
Utilities	2.11	1.47	1.10	1.53	1.53
Electric Utilities	1.38	1.55	0.64	1.05	1.05
Gas Utilities	0.04	0.37	-1.65	-0.97	-0.97
Independent Power Producers & Energy Traders	0.10	1.65	1.44	1.46	1.46
Water Utilities	0.04	-1.95	-1.49	-1.14	-1.14
Multi-Utilities	0.54	1.55	2.62	3.15	3.15

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

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DOW JONES: 49071.60

S&P 500: 6969.01

NASDAQ: 23685.10

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