

Equity Research
Macroeconomics

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Richard de Chazal, CFA
rdechazal@williamblair.com
+44 20 7868 4489

Louis Mukama
lmukama@williamblair.com
+1 312 364 8867

Economics Weekly

The Dollar – Where to From Here?



At the start of each year, there is often a strong consensus narrative around the expected behavior of the U.S. dollar. At the start of 2025, the consensus was that the dollar would suffer on the back of the introduction of tariffs and, in our view, a Trump administration that seemed to regard the Nixon administration’s 1971 dollar shock as the desired playbook for gaining a competitive edge in global trade. In this case, the dollar did end up declining by 13% from its peak at the start of January 2025 to its trough at the end of January 2026. At the start of this year, the consensus was for a slightly weaker dollar. Since the end of January, however, the dollar has gained almost 6%. **In this *Economics Weekly*, we once again discuss the dollar—what is driving it in the near term and in which direction it is likely to head over the longer term.**

Further Dollar Strength Looks Likely Near Term

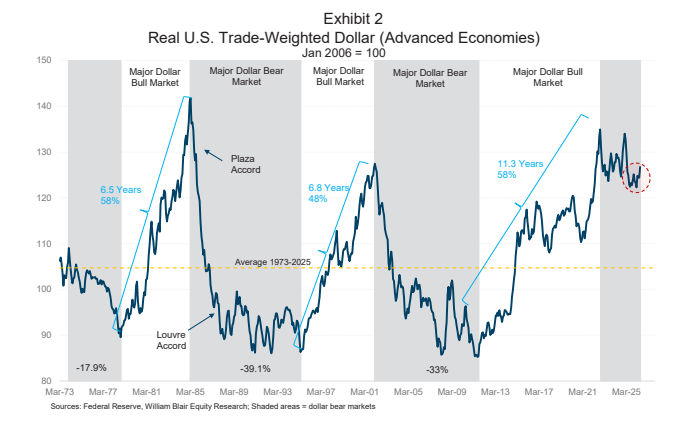
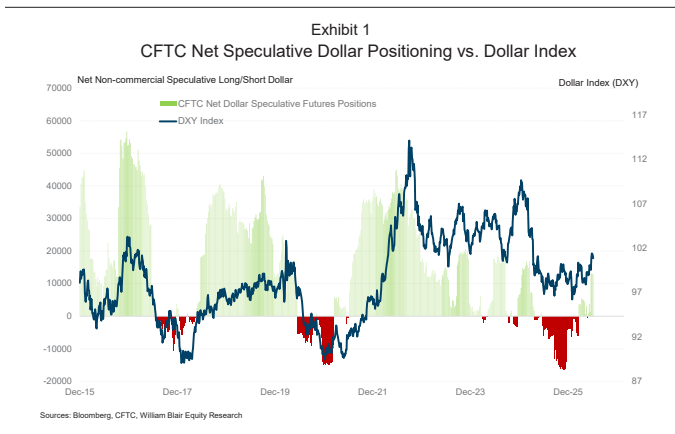
The futures market is not a very good predictor of future dollar moves, but it is somewhat useful in crudely gauging investor sentiment. Having said that, we need to be careful with interpretations, as the market is also often used as a hedge against a long or short position in the cash market or another form of economic or financial market transaction. Today, after the market had been deeply short the dollar through late 2025 (the most since 2007), current dollar sentiment has swung back to being moderately bullish (exhibit 1).

Up until earlier this week (before renewed hostilities in the Middle East), the market view seemed to be that with oil prices now coming back down, the Fed will just need one or at most two small tweaks to rates before resuming the easing cycle. Indeed, looking at the fed funds futures market, expectations are for one rate hike by September or October and a smaller possibility of another increase in first quarter 2027, before rate cuts resume in the second half of 2027. At this point, with new Fed Chair Kevin Warsh keen to restore price stability at 2% inflation, we suspect that three rate increases will be needed between now and the end of 2027 and that any rate cuts for the moment are still off the table.

Meanwhile, with the European economy struggling to get to its feet—while also being sandwiched between China and the U.S. and used as a new dumping ground for Chinese products (in particular automobiles) as the gates to the U.S. are now closed—there seems limited room for further rate increases.

Dollar Weakness Over the Medium to Longer Term

Looking a little further out, we continue to believe the dollar will soften, but not collapse. We also do not see the dollar losing its status as the world’s reserve currency of choice for many years to come (exhibit 2).



This dollar strength looks likely to continue in the near term, and we continue to believe that inflation will likely remain stickier than the current consensus seems to believe. Furthermore, the economy still looks solid, and the unfolding AI- and energy-related capex boom likely has much more room to run.

As it stands, no other market comes close to being able to provide the deep and liquid capital markets that the U.S. does. One potential alternative, the euro, continues to suffer from highly fragmented capital markets and the lack of a unified bond market. Meanwhile China’s yuan is locked up under tight capital controls and is managed by a less-than-democratic government. Lastly,

while cryptocurrencies and stablecoins are likely to increase in prominence, they are a long way from dethroning the dollar.

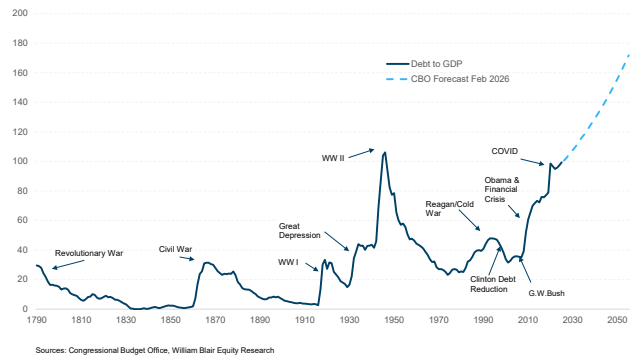
Nevertheless, the main anchor helping to drag the dollar lower in the coming years will likely be the large and growing size of its debt and deficits.

During the mid- to late 1990s, the U.S. economy was able to sustain strong growth, low inflation, falling budget deficits and debts, but still have a strong dollar, which typically requires relatively higher interest rates. This was due to the combination of globalization (bringing both cheap labor and materials) and the emergence of the Bretton Woods II arrangement, where foreign central banks (mainly China) were aggressive purchasers of dollars in order to devalue their own currencies in an attempt to reenter the global economy.

As exhibit 3 shows, through the late 1990s right up until about 2015, both foreign central banks and the foreign private sector were strong net purchasers of dollar assets, particularly Treasury and agency debt. The Bretton Woods II arrangement ended around 2015, and those foreign central banks shifted to being net sellers of dollar assets. In more recent years, any dollar strength has had to rely more on the foreign private sector. The important difference here is that foreign central banks are relatively yield insensitive—they purchase debt for reserve management and trade purposes—while the foreign and domestic U.S. private sectors require a decent yield and return on their investments. Foreign private capital also tends to be flightier than foreign central banks, with the upshot being that yield movements have tended to be more volatile than during this prior period.

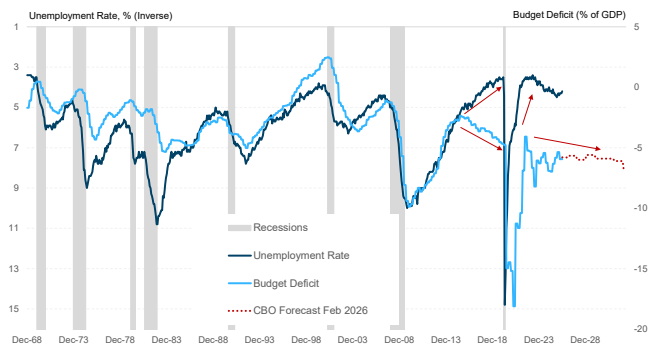
Today, with debts and deficits significantly higher than they were in the mid-1990s, no sense of fiscal rectitude from either party, and the cost of servicing that debt rapidly increasing, the Treasury may find itself having to choose between 1) allowing yields to rise in order to finance that debt (resulting in a strong dollar) or 2) suppressing yields via some new form of Fed-Treasury Accord and financial repression, but as a corollary no longer being able to support the dollar (exhibits 4 and 5). Effectively, the dollar will act as a release valve by making exports more competitive and lowering the current account deficit (thereby reducing the need for foreign investment), which in turn increases nominal GDP and promotes slightly higher inflation. The increasingly dramatic weakness in the yen of late indicates that this is the path Japan has chosen to follow.

Exhibit 4
Federal Debt Held by the Public as a Percentage of Gross Domestic Product, %



Sources: Congressional Budget Office, William Blair Equity Research

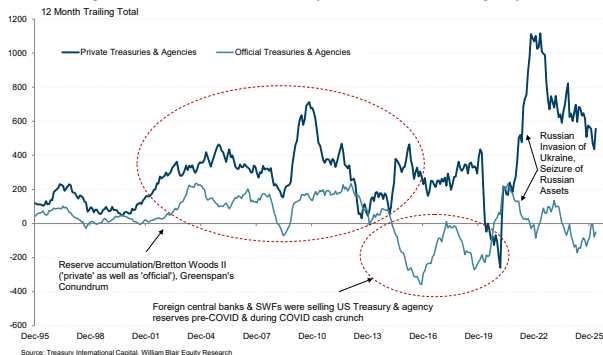
Exhibit 5
U.S. Budget Deficit vs. Unemployment Rate



Sources: Congressional Budget Office, Bureau of Labor Statistics, William Blair Equity Research

Exhibit 3

Foreign Net Purchases of US Treasury Notes & Bonds, and Agency Securities



Source: Treasury International Capital, William Blair Equity Research

Conclusion

In the near term, the dollar is likely to benefit from cyclical tailwinds related to much stronger relative growth, higher inflation, and the need for the Fed to push relative rates higher.

Over the medium to longer term, we expect the dollar bear market to resume. Foreign official buyers are no longer absorbing U.S. debt in the way they once did, and with fiscal discipline absent from both parties, the U.S. is becoming more dependent on price-sensitive private capital. This is likely to leave policymakers with an uncomfortable trade-off: tolerate higher yields to defend the dollar or lean against yields and allow the exchange rate to carry more of the adjustment. To us, the latter seems like the path of least resistance for policymakers faced with this choice.

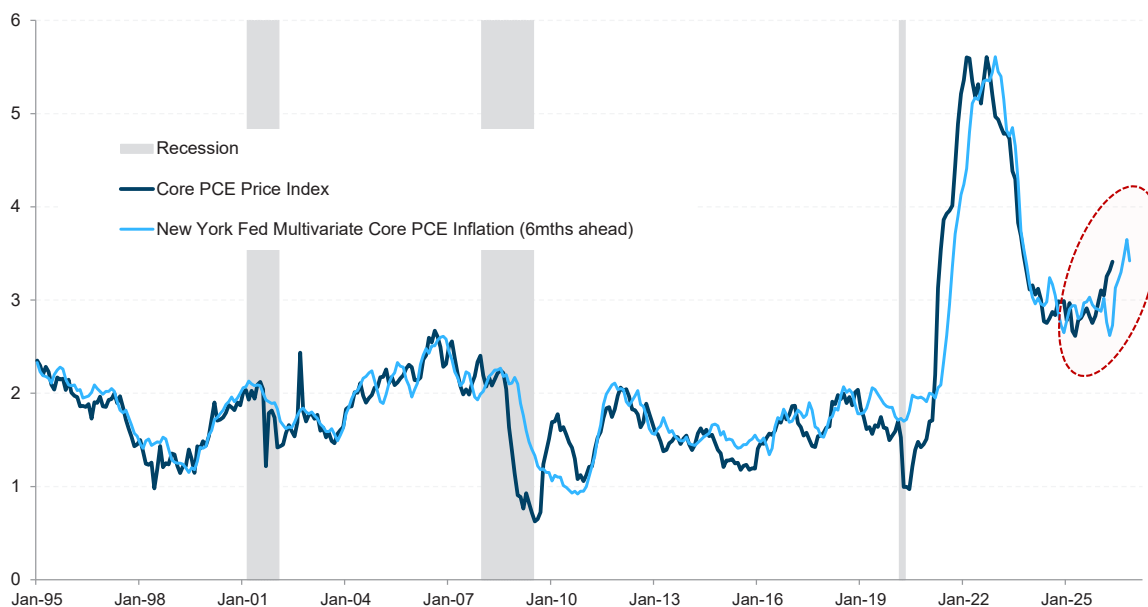
Highlights in the Week Ahead

Date	Time (ET)	Indicator	Last	Consensus	WB Estimate	Actual
14 Jul	8:30 a.m.	Consumer Price Index (June)	0.5%	-0.1%	0.0%	
		CPI Less-Food & Energy	0.2%	0.3%	0.3%	
15 Jul	8:30 a.m.	Producer Price Index (June)	1.1%	0.0%	-0.2%	
		PPI Less-Food & Energy	0.4%	0.4%	0.4%	
15 Jul	2:00 p.m.	Fed's Beige Book				
16 Jul	8:30 a.m.	Advance Retail Sales (June)	0.9%	0.3%	0.4%	
		Sales Less-Autos	0.8%	-0.1%	0.3%	
17 Jul	8:30 a.m.	Housing Starts (June)	-15.4%	11.5%	8.0%	
		Building Permits	-0.9%	N/A	2.0%	
17 Jul	9:15 a.m.	Industrial Production (June)	0.1%	0.2%	-0.1%	
		Capacity Utilization	76.2%	76.2%	76.1%	

Sources: Bloomberg, William Blair Equity Research

Indicators of the Week: Consumer Price Index

Core PCE Price Index vs. New York Fed Multivariate Core Trend PCE Index
% Change on Year Ago



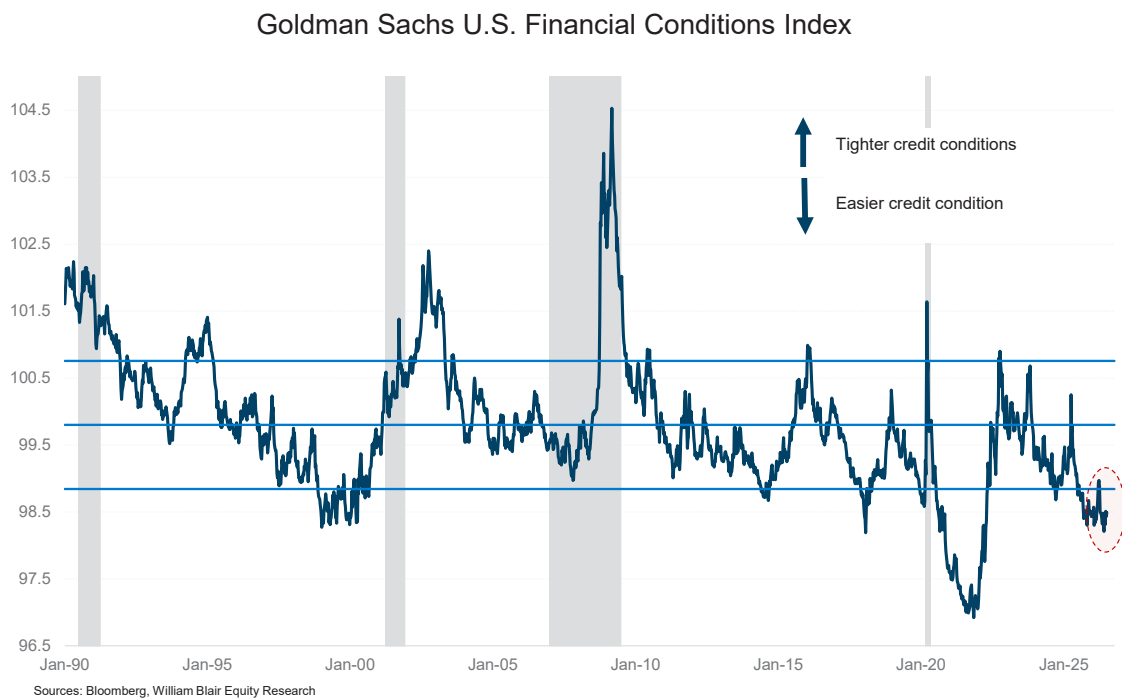
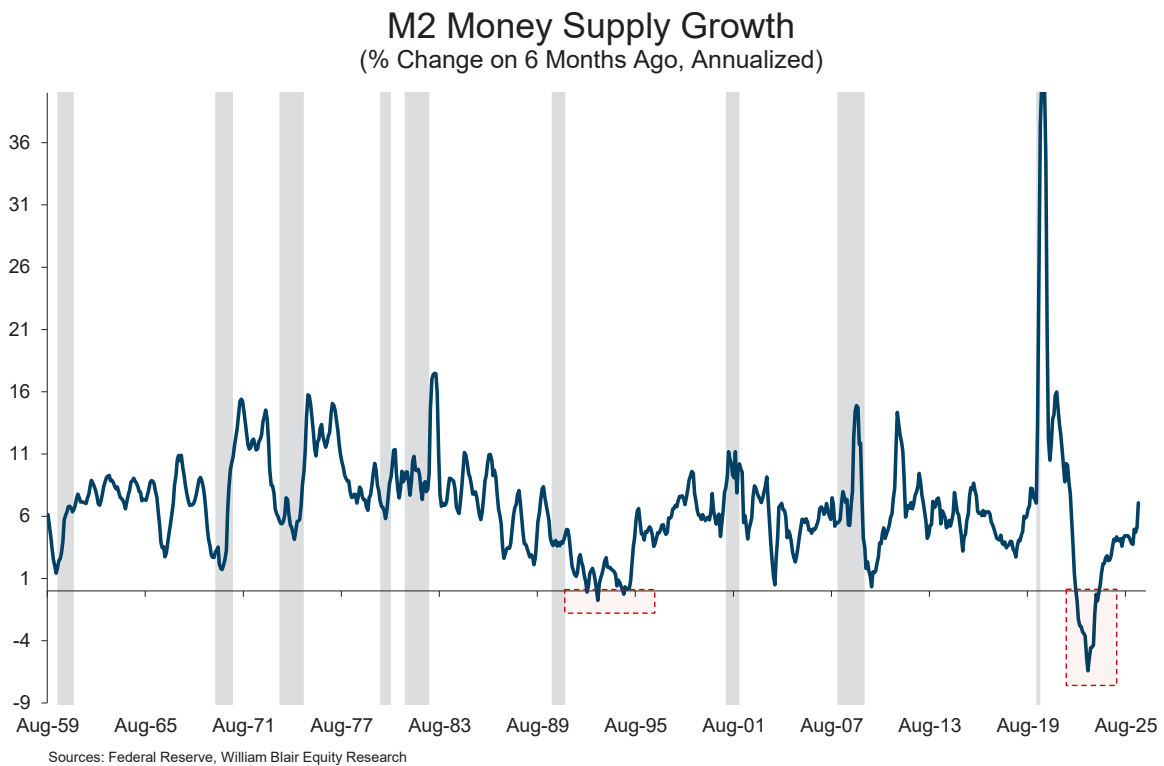
The Multivariate Core Trend (MCT) is a dynamic factor model that decomposes sectoral PCE inflation into persistent and transitory components to isolate the underlying trend in inflation, excluding food, energy, and short-lived price shocks.
Sources: Federal Reserve, William Blair Equity Research

Economic Scorecard

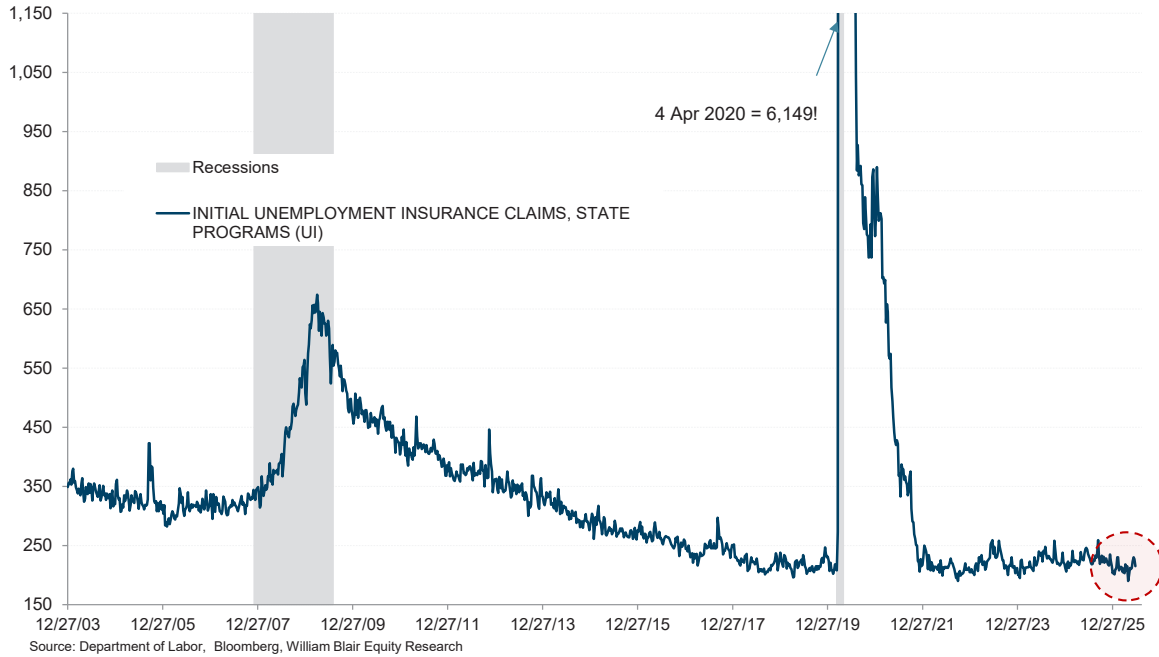
Rolling monthly heat map, % Change on Year Ago (unless otherwise noted)

	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	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26
Growth																			
US Leading Indicators	-2.8	-3.0	-3.3	-4.1	-3.7	-3.8	-3.4	-3.5	-3.2	-3.1	-3.7	-3.7	-3.6	-3.1	-3.0	-1.6	-1.5		
US Coincident Indicators	1.4	1.4	1.8	1.8	1.1	1.1	1.4	1.2	1.2	1.0	0.8	0.6	0.9	0.8	0.3	0.4	0.8		
US Lagging Indicators	-0.6	-0.5	-0.6	-0.8	-0.1	-0.3	-0.5	-0.4	0.2	0.3	0.3	0.7	0.9	0.7	1.2	1.5	0.9		
Consumer																			
Total Retail Sales	4.5	3.8	5.2	5.1	3.1	4.4	4.1	5	4.1	3.2	3.2	2.4	3.3	4.2	4.2	4.8	6.9		
Personal Income	5	5	5.2	5.6	4.5	4.3	4.8	5.1	5.1	4.5	4.4	4.2	4.1	3.5	3.3	2.6	3.8		
Real Disposable Personal Income	1.8	1.8	2.3	2.8	1.5	1.2	1.7	1.8	1.8	1.3	1	0.8	1.4	0.8	0	-1.1	0		
Real Personal Consumption	3.3	2.7	3.2	3.1	2.5	2.5	2.6	2.8	2.4	2.5	2.2	1.6	2	2.4	1.9	1.7	2.1		
Personal Saving Rate (%)	5.1	5.2	5.1	5.5	4.9	4.6	4.5	4.4	4.3	3.9	3.8	3.6	4.4	3.8	3.5	3	3		
Consumer Confidence (Conference Board)**	105.3	100.1	93.9	85.7	98.4	95.2	98.7	97.8	95.6	95.5	92.9	94.2	89	91	92.2	93.8	90.6	91.2	
Employment																			
Employment Growth	0.8	0.7	0.6	0.6	0.6	0.5	0.5	0.5	0.4	0.3	0.2	0.1	0.2	0.1	0.2	0.2	0.3	0.3	
ASA Temporary Staffing Index	-8.2	-7.5	-8.7	-6.4	-5.8	-5.3	-0.8	-0.9	0.8	1.5	4.5	7.3	2.3	3.2	6.1	5.4	5.1	6.5	
ISM Employment Index Manufacturing*	49.7	47.1	44.4	46.2	46.1	45.1	44.9	44.3	45.4	45.8	44.1	44.8	48.1	48.8	48.7	46.4	48.6	49.7	
ISM Employment Index Services*	51.4	53.4	46	49.2	50.4	47.7	46.9	46.9	47.6	48.1	48.7	51.7	50.3	51.8	45.2	48	47.9	51.2	
Unemployment Rate, %	4	4.2	4.2	4.2	4.3	4.1	4.3	4.3	4.4		4.5	4.4	4.3	4.4	4.3	4.3	4.3	4.2	
Average Hourly Earnings	4	4.1	4.2	3.9	4	3.9	4	4	3.8	3.9	3.9	3.7	3.7	3.7	3.4	3.6	3.4	3.5	
Initial Jobless Claims (avg. wkly. chg. '000s)	219	226	223	226	233	239	222	231	234	226	221	219	213	216	208	208	215	222	
Jop Openings	-11.3	-14.2	-15.3	-5.7	-6.1	-2.9	-4.5	-8.0	3.3	-2.8	-9.5	-10.2	-2.6	-4.4	-0.9	6.9	3.9		
Layoff Announcements	-39.5	103.2	204.8	62.7	47	-1.6	139.8	13.3	-25.8	175.3	23.5	-8.3	117.8	-71.9	-78	-20.9	3.4	-4.5	
Housing Market																			
Housing Starts	-1.8	-4.1	3.8	1.5	-3	4.6	12.8	-7.4	-2.8	-7.1	1.5	-7.8	2.4	-9.7	13.1	-0.6	-8.7		
New Home Sales	-2.6	-1.8	-3.7	-0.7	-7.2	-2.6	-11.5	1.6	-0.1	3.2	13.2	3	-13.4	-1.7	1.2	-10.7	-6.8		
Existing Home Sales	1.7	-1.0	-2.7	-1.5	-0.5	0.5	0.8	2.3	4.4	2.2	-1.2	1.9	-1.7	-0.5	-0.3	0.5	3.2		
Median House Price (Existing Homes)	-0.2	-1.4	-5.4	-0.4	2.5	-1.2	-7.4	3	-1	-5.2	1.2	1.4	-3.1	-0.7	-4.8	0.7	0		
Existing Homes Inventory (Mths' supply)	3.9	4	4.2	4.2	4.3	4.3	4.3	4.3	4.3	4.3	4.2	4	4.2	4.3	4.3	4.3	4.1		
New Homes Inventory (Mths' supply)	9	9.4	9.3	8.6	9.7	9	9.2	8.5	8.2	9	7.7	7.9	9.9	9.3	8.7	9.3	10.3		
NAHB Homebuilder Sentiment*	47	42	39	40	34	32	33	32	32	37	38	39	37	37	38	34	37		
Inflation																			
Consumer Price Index	3	2.8	2.4	2.3	2.4	2.7	2.7	2.9	3		2.7	2.7	2.4	2.4	3.3	3.8	4.2		
CPI Less-food & energy	3.3	3.1	2.8	2.8	2.8	2.9	3.1	3.1	3		2.6	2.6	2.5	2.5	2.6	2.8	2.9		
Producer Price Index	3.8	3.4	3.2	2.4	2.7	2.4	3.2	2.7	3	2.8	3.1	3.1	3.1	3.4	4.3	5.7	6.5		
PPI Less-food & energy	3.9	3.7	3.8	3.1	3.2	2.7	3.5	2.9	3	3	3.2	3.4	3.7	3.9	3.9	4.9	4.9		
PCE Price Index	2.6	2.7	2.4	2.3	2.5	2.6	2.6	2.7	2.8	2.7	2.8	2.9	2.9	2.9	3.5	3.8	4.1		
PCE Prices Less-food & energy	2.8	3.0	2.7	2.6	2.8	2.8	2.9	2.9	2.8	2.8	2.8	3.0	3.1	3.0	3.3	3.3	3.4		
Business Activity - US																			
Industrial Production	0.9	0.8	0.6	0.9	0.1	0.6	1.9	1.2	1.9	1.8	1.8	1.2	1.1	0.8	0.6	1.4	1.7		
New Cap Gds Orders less-aircraft & parts	3.3	-0.9	2.2	0.5	2.2	4.5	4.4	2.5	5.3	6.2	4.1	8	2.9	5.9	10.8	11.1	10.1		
Business Inventories	1.8	2.5	2.2	2.5	2.1	1.7	1.6	1.4	1	1.3	1.3	1.2	1.5	1	1.2	2.1	2.7	0	
ISM Manufacturing PMI*	50.5	50	48.9	48.8	48.6	49	48.4	48.9	48.9	48.8	48	47.9	52.6	52.4	52.7	52.7	54	53.3	
Markit US Manufacturing PMI*	51.2	52.7	50.2	50.2	52	52.9	49.8	53	52	52.5	52.2	51.8	52.4	51.6	52.3	54.5	55.1	53.9	
ISM Services Index*	52.6	53.2	50.8	51.6	50.2	50.8	50.5	51.9	50.3	52	52.4	53.8	53.8	56.1	54	53.6	54.5	54	
Markit US Services PMI*	52.9	51	54.4	50.8	53.7	52.9	55.7	54.5	54.2	54.8	54.1	52.5	52.7	51.7	49.8	51	50.7	51.2	
Business Activity - International																			
Germany Manufacturing PMI Markit/BME*	45	46.5	48.3	48.4	48.3	49	49.1	49.8	49.5	49.6	48.2	47	49.1	50.9	52.2	51.4	50.1	50.3	
Japan Manufacturing PMI Jibun Bank*	48.7	49	48.4	48.7	49.4	50.1	49	49.7	48.5	48.2	48.7	50	51.5	53	51.6	55.1	54.5	54.8	
Caixin China Manufacturing PMI*	50.1	50.8	51.2	50.4	48.3	50.4	49.5	50.5	51.2	50.6	49.9	50.1	50.3	52.1	50.8	52.2	51.8	51.7	
China Manufacturing PMI*	49.1	50.2	50.5	49	49.5	49.7	49.3	49.4	49.8	49	49.2	50.1	49.3	49	50.4	50.3	50	50.3	
UK Manufacturing PMI Markit/CIPS*	48.3	46.9	44.9	45.4	46.4	47.7	48	47	46.2	49.7	50.2	50.6	51.8	51.7	51	53.7	53.9	52.5	
France Manufacturing PMI Markit*	45	45.8	48.5	48.7	49.8	48.1	48.2	50.4	48.2	48.8	47.8	50.7	51.2	50.1	50	52.8	49.7	51.2	
Currencies***																			
Euro (EUR/USD)	-4.2	-4.0	0.2	6.2	4.6	10.0	5.4	5.8	5.4	6.0	9.7	13.4	14.4	13.9	6.8	3.6	2.7	-3.1	
Renmimbi (USD/CNY)	1.1	1.2	0.5	0.4	-0.6	-1.4	-0.4	0.6	1.5	0.0	-2.4	-4.3	-4.0	-5.7	-5.0	-6.1	-6.0	-5.3	
Yen (USD/Yen)	5.6	0.4	-0.9	-9.3	-8.4	-10.5	0.5	0.6	3.0	1.3	4.3	-0.3	-0.3	3.6	5.8	9.4	10.6	12.9	
Sterling (GBP/USD)	-2.3	-0.4	2.3	6.7	5.6	8.6	2.7	2.9	0.5	2.0	3.9	7.7	10.4	7.2	2.4	2.1	0.0	-3.4	
Canadian \$ (USD/CAD)	8.2	6.5	6.3	0.2	0.8	-0.5	0.3	1.8	2.9	0.5	-0.2	-4.6	-6.4	-5.7	-3.3	-1.6	0.4	4.3	
Mexican Peso (USD/MXN)	20.1	20.5	23.6	14.4	14.3	2.3	1.4	-5.4	-7.0	-7.4	-10.2	-13.5	-15.6	-16.2	-12.4	-11.0	-10.7	-6.7	
US Equities																			
S&P 500	24.7	16.8	6.8	10.6	12.0	13.6	14.8	14.4	16.1	19.9	13.5	16.4	14.9	15.5	16.3	29.4	28.2	20.9	
S&P 400 Midcap	18.6	7.1	-4.2	-0.3	0.6	5.9	1.7	5.3	4.5	4.8	-1.7	5.9	6.1	15.5	15.7	27.6	24.1	24.2	
S&P 600 Smallcap	14.5	4.5	-5.0	-3.6	-3.4	2.8	-6.3	1.8	1.9	3.8	-4.0	4.2	7.0	15.9	18.5	36.6	31.2	35.3	
Russell 2000	17.5	5.3	-5.3	-0.5	-0.2	6.2	-1.9	6.7	9.3	12.9	2.7	11.3	14.3	21.7	24.1	42.6	41.3	39.0	

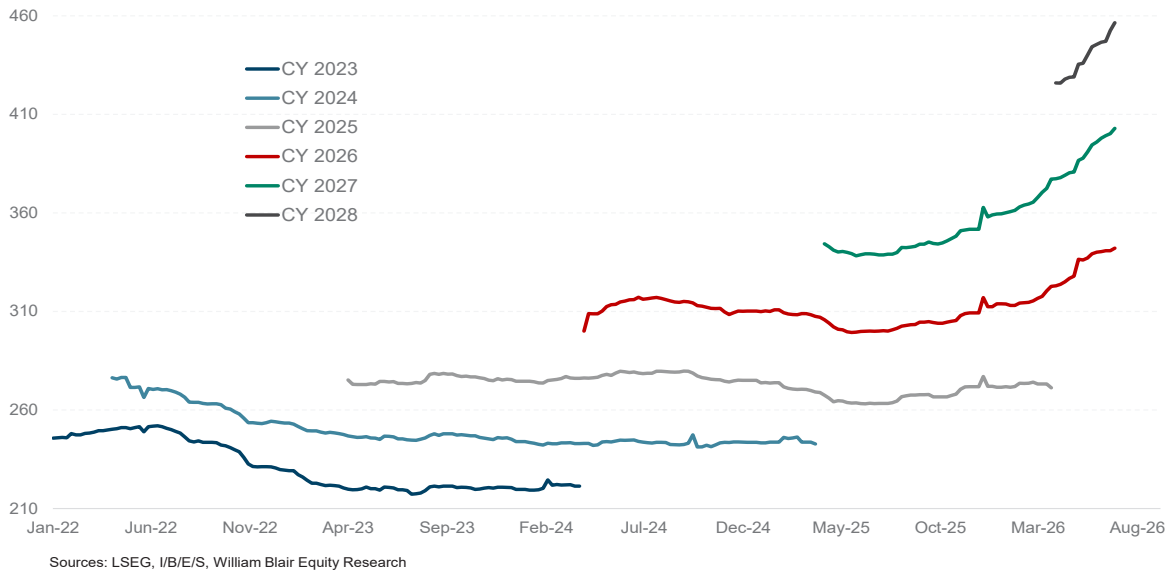
Other Economic Indicators



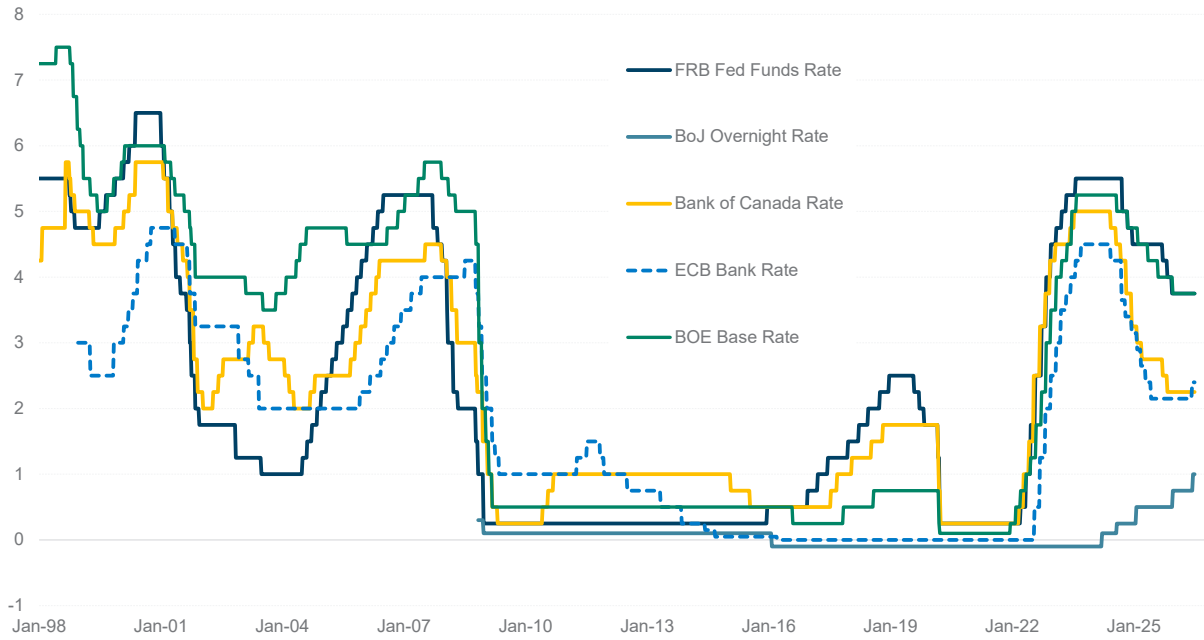
Initial Jobless Claims (‘000s, Seasonally Adjusted)



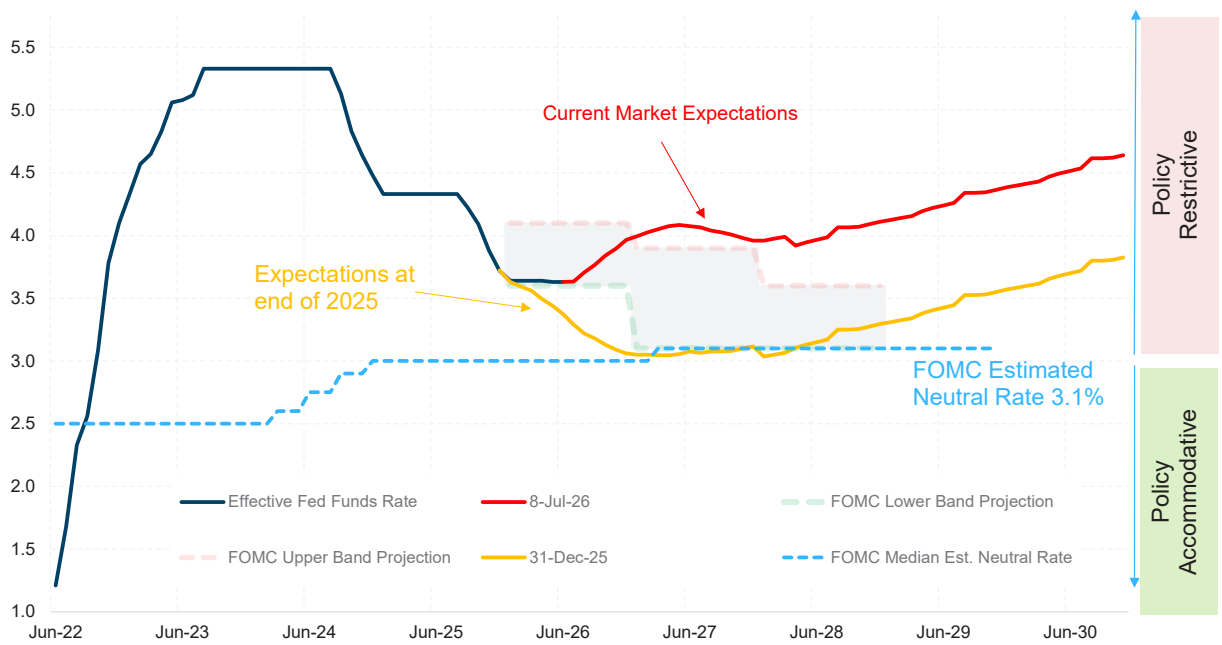
Progression of Calendar Year S&P 500 EPS Estimates (\$ per share)



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* 09-Jul-26	Week Ago 02-Jul-26	Month Ago 09-Jun-26	Qtr-to-Date 30-Jun-26	Year-to-Date 31-Dec-25
S&P 500 Index	100.00	0.81	2.13	0.59	10.20
S&P 400 MidCap Index		-0.55	1.32	-1.83	14.42
S&P 600 SmallCap Index		-0.70	4.10	-1.93	20.56
Dow Jones Industrials		-0.78	3.18	0.32	9.20
Nasdaq Composite		1.45	2.06	-0.03	12.76
Communication Services	9.84	1.35	-0.18	3.14	3.59
Advertising	0.05	2.97	4.75	10.51	-18.95
Broadcasting	0.05	-5.45	-19.51	1.85	-26.65
Cable & Satellite	0.05	-2.85	-9.73	-4.43	-24.57
Integrated Telecommunication Services	0.58	0.07	-6.49	-0.57	-8.58
Interactive Home Entertainment	0.14	-1.37	8.30	-0.37	-1.36
Interactive Media & Services	7.81	1.99	0.84	3.45	8.52
Movies & Entertainment	0.87	-2.57	-4.52	2.78	-15.42
Publishing & Printing	0.02	3.19	0.84	10.78	5.19
Wireless Telecommunication Svcs	0.28	2.23	1.12	8.20	-10.62
Consumer Discretionary	9.63	0.34	1.24	0.35	-0.76
Apparel Retail	0.34	-0.59	-7.14	0.78	4.41
Apparel & Accessories & Luxury Goods	0.08	-2.59	-3.17	-2.80	-9.70
Auto Parts & Equipment	0.02	1.65	-12.59	-2.48	-9.57
Automobile Manufacturers	2.37	3.13	1.29	-3.14	-8.88
Automobile Retail	0.24	-4.41	-4.26	-4.49	-12.25
Broadline Retail	3.89	1.81	1.30	3.68	7.50
Casinos & Gaming	0.08	-0.14	-7.21	-0.13	-14.89
Computer & Electronics Retail	0.02	2.56	6.48	5.42	19.51
Consumer Electronics	0.07	1.87	2.80	2.94	20.54
Distributors	0.02	-6.26	22.89	5.33	0.57
Footwear	0.09	-2.41	-4.91	4.39	-27.38
Home Furnishings	0.01	-8.18	2.52	-9.68	0.26
Home Improvement Retail	0.66	-5.62	3.37	-3.81	-4.42
Homebuilding	0.15	-5.61	-1.79	-7.79	-3.42
Hotels, Resorts & Cruise Lines	0.75	-2.29	2.94	-1.47	-1.20
Leisure Products	0.02	-3.44	-8.15	-6.30	-5.62
Restaurants	0.74	-0.51	5.92	2.67	-1.87
Other Specialty Retail	0.05	-2.47	-1.89	-1.04	-31.80
Consumer Staples	4.93	-2.10	-1.51	-0.07	6.64
Agricultural Products	0.09	3.94	-4.16	4.25	34.39
Brewers	0.01	-2.61	-4.39	-0.56	-17.01
Consumer Staples Merchandise Retail	2.17	-1.35	-3.97	-0.98	4.31
Distillers & Vintners	0.04	-3.65	-5.50	-4.89	-3.93
Food Distributors	0.06	-3.30	5.78	-1.85	11.32
Food Retail	0.10	2.94	0.62	5.69	6.81
Household Products	0.70	-3.33	0.10	-0.12	4.92
Packaged Foods & Meats	0.29	-4.07	-1.60	0.85	-3.42
Personal Care Products	0.08	-2.85	2.31	1.58	-3.23
Soft Drinks	0.98	-2.95	0.29	1.01	10.61
Tobacco	0.58	-0.88	1.06	-0.05	16.08
Energy	2.93	2.60	-4.27	2.91	21.41
Integrated Oil & Gas	1.39	1.42	-7.38	2.33	14.68
Oil & Gas Equipment & Services	0.22	5.77	-13.24	1.93	23.54
Oil & Gas Exploration & Production	0.57	1.80	-5.00	1.11	14.27
Oil & Gas Refining & Marketing & Transportation	0.35	6.28	8.92	10.27	64.29
Oil & Gas Storage & Transportation	0.40	2.88	3.75	1.83	26.95

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Financials	11.43	-0.24	6.07	3.49	1.36
Asset Management & Custody Banks	0.93	2.44	3.72	5.60	-0.74
Consumer Finance	0.55	-2.21	8.19	0.81	-11.36
Diversified Banks	3.01	0.49	7.13	2.66	6.37
Diversified Financial Services	6.55	-0.43	4.75	3.66	-1.83
Financial Exchanges & Data	0.78	0.21	0.59	9.53	-11.51
Insurance Brokers	0.40	-0.07	10.57	8.26	-3.85
Investment Banking & Brokerage	1.44	3.76	8.93	7.45	16.07
Life & Health Insurance	0.29	1.03	7.33	5.20	12.71
Multi-Sector Holdings	0.99	-2.43	1.58	-0.99	-1.43
Property & Casualty Insurance	0.89	-1.83	10.54	3.27	6.85
Regional Banks	0.27	-0.04	5.31	1.18	9.86
Reinsurance	0.02	-0.10	11.79	3.85	9.32
Transaction & Payment Processing	1.75	-3.15	6.55	2.09	-5.45
Health Care	8.77	-1.04	5.21	2.16	4.78
Biotechnology	1.55	-2.80	9.79	1.26	9.81
Health Care Distributors	0.31	0.22	5.22	3.53	-1.20
Health Care Equipment	1.28	-1.33	0.00	3.98	-20.75
Health Care Facilities	0.14	-0.55	8.70	4.84	-14.67
Health Care Services	0.39	-1.19	3.33	1.18	20.36
Health Care Supplies	0.06	-3.61	-1.29	0.88	-3.08
Life Sciences Tools & Services	0.76	-0.14	6.16	3.19	-6.33
Managed Health Care	0.81	1.13	3.84	4.37	32.03
Pharmaceuticals	3.42	-0.87	5.55	0.97	14.22
Industrials	8.27	-1.55	3.30	-2.28	16.74
Aerospace & Defense	2.14	-3.19	5.49	0.65	8.59
Agricultural & Farm Machinery	0.23	-4.57	2.70	-6.53	27.35
Air Freight & Logistics	0.29	0.17	-0.90	1.78	20.58
Building Products	0.44	-2.43	-1.85	-5.19	15.67
Cargo Ground Transportation	0.14	2.11	-9.43	1.99	45.52
Construction & Engineering	0.28	0.91	-3.56	-7.87	60.28
Construction Machinery & Heavy Trucks	0.91	-1.31	2.00	-9.14	48.23
Data Processing & Outsourced Services	0.02	2.34	-1.81	7.57	-33.99
Diversified Support Svcs	0.14	-3.10	-3.80	3.27	-13.30
Electrical Components & Equipment	0.72	1.86	2.47	-4.82	21.80
Environmental & Facilities Services	0.29	0.63	3.89	3.84	-0.36
Heavy Electrical Equipment	0.41	-3.40	16.86	-8.48	64.52
Human Resource & Employment Services	0.19	-0.32	4.78	7.83	-5.28
Industrial Conglomerates	0.22	-3.00	0.48	-2.30	5.80
Industrial Machinery	0.59	-2.02	2.75	-2.70	3.25
Passenger Airlines	0.18	-3.38	13.12	-4.88	21.95
Passenger Ground Transportation	0.22	-0.11	5.64	3.03	-9.01
Railroads	0.48	0.83	4.57	4.11	23.79
Research & Consulting Svcs	0.10	-1.81	-2.26	3.37	-22.33
Trading Companies & Distributors	0.27	-1.23	0.51	-2.43	28.49
Information Technology	35.47	2.81	2.03	-0.55	18.77
Application Software	1.74	0.22	-2.04	5.55	-25.89
Communications Equipment	1.32	7.09	3.34	1.17	45.37
Electronic Components	0.62	-1.79	4.77	-16.16	47.46
Electronic Equipment & Instruments	0.14	0.76	0.80	-5.78	38.58
Electronic Manufacturing Services	0.21	0.44	-5.18	-9.12	4.59
Internet Software & Services	0.08	6.92	-2.77	7.24	6.91
IT Consulting & Services	0.57	1.79	-2.65	6.70	-22.30
Semiconductor Equipment	1.86	-1.35	10.45	-20.02	107.55
Semiconductors	15.12	4.61	0.40	-2.10	33.51
Systems Software	5.73	-0.92	-3.23	2.77	-13.86
Technology Distributors	0.03	5.13	5.16	-0.30	2.94
Technology Hardware, Storage & Peripherals	8.06	3.52	8.80	5.89	30.39
Materials	1.71	-3.30	-0.27	-0.96	10.02
Commodity Chemicals	0.06	3.24	-13.70	4.60	24.34
Construction Materials	0.20	-3.84	1.21	-1.98	-10.26
Copper	0.12	-0.72	-5.79	-3.75	19.18

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Fertilizers & Agricultural Chemicals	0.12	-1.09	8.93	0.24	24.62
Gold	0.15	-2.30	-3.79	1.51	-5.05
Industrial Gases	0.44	-4.29	2.48	1.20	22.51
Metal & Glass Containers	0.02	-3.77	12.59	-2.24	15.16
Paper Packaging	0.14	-5.31	4.42	-4.06	1.53
Specialty Chemicals	0.34	-5.18	1.80	-2.81	5.03
Steel	0.12	0.72	-14.58	-1.36	34.27
Real Estate	1.73	-0.86	-1.13	0.61	10.34
Data Center REITs	0.24	3.36	-2.60	-0.51	27.42
Health Care REITs	0.33	-1.71	10.76	1.99	23.25
Hotel & Resort REITs	0.02	-0.81	-2.54	-2.32	34.51
Industrial REITs	0.19	1.38	-4.17	4.35	10.73
Multi-Family Residential REITs	0.00	-2.91	0.36	-0.38	5.52
Office REITs	0.02	-3.45	0.48	0.93	-0.82
Other Specialized REITs	0.09	-1.06	-6.27	-4.07	15.45
Real Estate Service	0.08	-0.90	-0.97	4.35	-28.97
Retail REITs	0.25	-1.89	2.32	-0.41	16.51
Self-Storage REITs	0.12	-3.63	-2.09	-0.47	17.63
Single-Family Residential REITs	0.12	-3.63	-2.09	-0.47	17.63
Telecom Tower REITs	0.19	-0.50	-14.11	1.35	-8.06
Timber REITs	0.02	-5.42	-8.72	-6.02	-5.02
Utilities	2.05	-1.43	3.07	-0.51	5.65
Electric Utilities	1.34	-1.54	2.77	-0.65	4.53
Gas Utilities	0.04	-1.22	4.24	1.43	4.23
Independent Power Producers & Energy Traders	0.09	3.96	6.66	-0.25	-1.28
Water Utilities	0.04	-4.61	4.00	-0.78	0.04
Multi-Utilities	0.54	-1.76	3.09	-0.35	10.33

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

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DOW JONES: 52487.40
S&P 500: 7543.64
NASDAQ: 26206.90

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