

Morning Market Report



FIFTH THIRD BANK

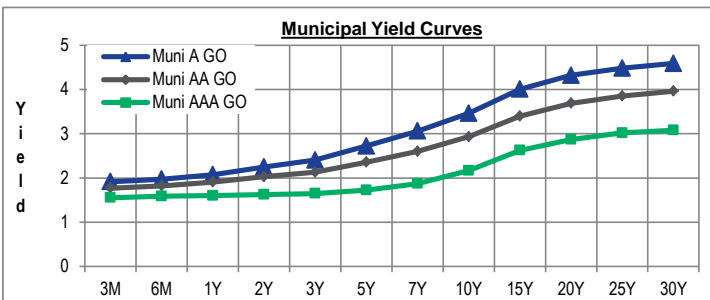
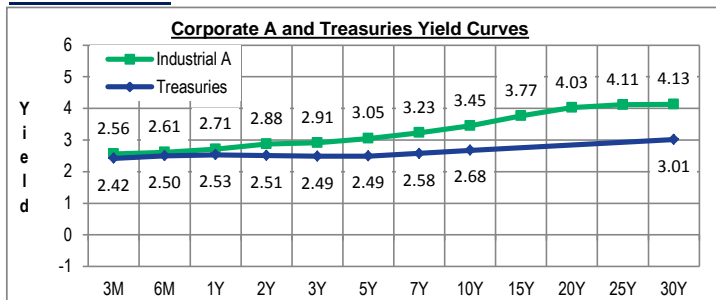
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Compiled by: Investment Strategy Team

Equity Markets (Total Returns (change in closing price + dividend yield))				
Index	Level	Daily	MTD	YTD
MSCI AC World	494.66	-0.22%	0.81%	8.80%
S&P 500	2745.73	-0.23%	1.67%	9.81%
S&P 400	1891.66	-0.05%	3.14%	13.93%
S&P 100	1204.80	-0.28%	1.25%	8.52%
Russell 2500	616.55	0.05%	3.04%	14.91%
Russell 2000	1545.11	0.16%	3.11%	14.70%
DJIA	25439.39	-0.30%	2.02%	9.46%
NASDAQ	7426.96	0.10%	2.07%	12.06%
MSCI EAFE	1828.80	-0.21%	-0.03%	6.57%
MSCI EM	1039.20	-0.25%	-0.99%	7.67%
S&P U.S. REIT	1344.94	0.03%	1.10%	12.99%
Alerian MLPI	428.46	1.21%	1.95%	15.17%
S&P Global Infrastr	2479.87	-0.07%	-0.03%	8.72%
HFRX Global HF	1217.53	-0.09%	0.20%	2.33%

Other Markets				
Index	Level	Daily	MTD	YTD
U.S. Dollar	97.10	-0.16%	1.46%	0.84%
Gold (oz.)	1318.53	0.48%	-0.66%	2.35%
Oil (barrel)	55.38	0.95%	1.15%	19.82%
Commodity (CRB)	411.57	-0.03%	-0.31%	0.59%
BB Municipal	1194.74	0.12%	0.28%	1.04%
BB Int. Gov/Cred.	2112.41	0.19%	0.03%	0.90%
BB Agg. Bond	2069.25	0.20%	0.04%	1.11%
BB High Yield	2009.56	0.01%	0.70%	5.25%
BB U.S. TIPS	296.24	0.26%	-0.15%	1.20%
BB Global ex. USD	461.57	-0.03%	-1.63%	0.21%
JPM EM Bond	860.64	0.28%	0.29%	4.72%
LIBOR	1-month:	2.49%	3-month:	2.68%
Secured Overnight Financing Rate:		2.39%	Fed Funds:	2.50%
Bankrate.com 30yr fixed mtg avg:		4.35%	Prime Rate:	5.50%

Fixed Income



Overnight News

- > U.S. equity index futures headed higher this morning as a positive trade outlook outweighed global growth concerns. Contracts on the S&P 500, Dow and Nasdaq advanced. Treasuries held steady while the dollar strengthened.
- > Trade talks between the U.S. and China will continue next week in Washington. China said it reached consensus in principle on main topics as discussions in Beijing concluded. Sentiment from Chinese President Xi Jinping echoed optimism from Steven Mnuchin.
- > Asia's benchmark index fell, led lower by IT and telecom. Chinese stocks fell as weak factory prices added to data highlighting growth concerns. The yen was marginally weaker against the dollar and the yuan was only slightly stronger. Regional bonds rose.
- > Banks and media shares in Europe helped drive gains in the Stoxx 600 Index. Spanish bonds held steady even as Prime Minister Pedro Sanchez called a snap election after Parliament vetoed his spending plan. Italian bonds dropped. The euro fell.
- > In the U.K., the pound edged higher in choppy trading after Parliament refused to endorse Prime Minister Theresa May's approach to resolving the Brexit deadline. May is reportedly preparing to compromise with the European Union over the future of Ireland's border.
- > West Texas Intermediate (WTI) crude oil was heading for its biggest weekly gain in a month, up another 1 percent this morning.
- > President Trump will use emergency powers to redirect \$7 billion in federal funds to building his border wall after the budget passed by Congress included less than his requested amount. The president is set to sign the compromise spending package today.

Economic Reports

- > The New York Fed's Empire Manufacturing Index rose to 8.8 in February from 3.9 in January, ahead of forecasts.
- > Import prices in the U.S. fell more than expected in January, dropping 0.5 percent from a month earlier. Year-over-year, the import price index fell 1.7 percent. Export prices fell 0.6 percent on the month and 0.2 percent from a year earlier.
- > Industrial production contracted 0.6 percent in January, missing estimates for a 0.1 percent gain. Manufacturing output also unexpectedly contracted, falling 0.9 percent. Capacity utilization fell to 78.2 percent from 78.7 percent.
- > China's factory-gate inflation slowed for a seventh month. PPI rose 0.1 percent in January, down from 0.9 percent the previous month.
- > U.K. retail sales rose at their fastest pace in six months in January. Core retail sales gained 1.2 percent month-over-month.

Company News

- > PepsiCo Inc. (PEP) rose in early trading after the company said it's extending its cost-cutting program through 2023 and taking \$2.5 billion in charges. Fourth quarter results met analysts' estimates. Earnings and sales are expected to slip this year.
- > Tencent is holding talks with Electronic Arts (EA) about bringing the new hit game *Apex Legends* to China, the SCMP reported. Shares of EA rose 4 percent in pre-market trading, set to add to its surge since announcing the success of the game's release.
- > Amazon.com Inc. (AMZN) said Thursday it is scrapping plans to build a new corporate campus in New York City, amid fierce opposition from some residents and politicians. Planned expansions in Virginia and Nashville are not affected by the change.
- > Deere's fiscal first quarter earnings per share missed estimates, but the company confirmed its full-year profit forecast.

Sources: News, economic and market information compiled from various sources including the Wall Street Journal, Bloomberg, Briefing.com, Economy.com, and Investors Business Daily

Dow Jones Industrial Average is a price-weighted average of 30 large, frequently traded stocks with the objective of representing large and well-known U.S. companies.

Standard & Poor's 500 Stock Index is a composite of 500 of the largest companies in the United States and it often used as a measure of the overall U.S. stock market.

NASDAQ Composite Index measures all NASDAQ domestic and non-U.S. based common stocks listed in the NASDAQ Stock Market. The index is market value weighted and currently includes over 5,000 companies.

S&P MidCap 400 Index provides investors with a benchmark for mid-sized companies. The index, which is distinct from the large-cap S&P 500®, measures the performance of mid-sized companies, reflecting the distinctive risk and return characteristics of this market segment.

S&P 100 Index is a sub-set of the S&P 500®, measures the performance of large cap companies in the United States. The Index comprises 100 major, blue chip companies across multiple industry groups. Individual stock options are listed for each index constituent.

Russell 2000 measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index.

Russell 2500 Index measures the performance of the smallest 2,500 companies in the Russell 3000 Index. This index is constructed to give a comprehensive and unbiased barometer for the small and mid-cap segment of the U.S. equity universe.

Bloomberg Barclays U.S. Intermediate Government/Credit Bond Index tracks the performance of intermediate term US government and corporate bonds with maturities between one and ten years.

MSCI AC World Index offer a modern, seamless, and fully integrated approach to measuring the full equity opportunity set with no gaps or overlaps. MSCI ACWI represents the Modern Index Strategy and captures all sources of equity returns in 23 developed and 23 emerging markets.

MSCI EAFE Index is designed to represent the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East, excluding the U.S. and Canada. The Index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 21 countries.

MSCI Emerging Markets Index a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. As of May 2017, the MSCI Emerging Markets Index consisted of the following 23 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates. Net of taxes is calculated for Morgan Stanley Capital International Equity Indices in U.S. dollars as dividend reinvested minus withholding taxes retained at the source for non-resident individuals who do not benefit from a double taxation treaties.

Pre-Market S&P Futures are traded on the Chicago Mercantile Exchange (CME) and closely follow the price movement of the S&P 500 index, providing risk management and investing opportunities for financial professionals and individual investors.

The U.S. Dollar Index (USDx) indicates the general int'l value of the USD. The USDx does this by averaging the exchange rates between the USD and 6 major world currencies. The FINEX computes this by using the rates supplied by some 500 banks.

Gold Spot Price is quoted as US Dollars per Troy Ounce.

Oil price represents Light Crude Oil for current month delivery priced per barrel from the New York Mercantile Exchange.

Muni AAA GO is derived from data points on Bloomberg's option-free Fair Market Curves; the yield at each maturity point represents the composite yield of securities around that maturity.

Corporate Industrials Rated A yield curve is populated daily with currency denominated fixed-rate bonds within a given industry sector; represents the composite yield of securities around that maturity.

The Alerian MLP Infrastructure Index is a composite of energy infrastructure Master Limited Partnerships (MLPs). The capped, float-adjusted, capitalization-weighted index,

whose 25 constituents earn the majority of their cash flow from the transportation, storage, and processing of energy commodities, is disseminated real-time on a price-return basis (AMZI)

Bloomberg Barclays U.S. Municipal Bond Index covers the USD-denominated long-term tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds and pre-refunded bonds.

Thompson/Reuters Core Commodity - CRB is a 4-tiered grouping system of commodity prices designed to reflect the significance of each commodity (Energy 39%, Agriculture 41%, Precious Metals 7%, and Base/Industrial Metals 13%)

S&P 500 U.S. REIT defines and measures the investable universe of publicly traded real estate investment trusts domiciled in the United States.

HFRX Global Hedge Fund Index is designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. The strategies are asset weighted based on the distribution of assets in the hedge fund industry. Hedge Fund Research, Inc. (HFR) utilizes a UCITSIII compliant methodology to construct the HFRX Hedge Fund Indices. The methodology is based on defined and predetermined rules and objective criteria to select and rebalance components to maximize representation of the Hedge Fund Universe. HFRX Indices utilize state-of-the-art quantitative techniques and analysis; multi-level screening, cluster analysis, Monte-Carlo simulations and optimization techniques ensure that each Index is a pure representation of its corresponding investment focus.

Bloomberg Barclays U.S. Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency).

Bloomberg Barclays Global Aggregate ex-USD Bond Index is a flagship measure of global investment grade debt from twenty-four local currency markets excluding the United States. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

Bloomberg Barclays U.S. Corporate High Yield Index represents the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (e.g., Argentina, Brazil, Venezuela, etc.) are excluded but, Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, 144-As and pay-in-kind bonds (PIKs, as of October 1, 2009) are also included. The index includes corporate sectors. The corporate sectors are Industrial, Utility, and Finance, encompassing both US and non-US Corporations. An investment cannot be made directly in a market index.

Bloomberg Barclays U.S. Treasury Inflation Protected Securities Index consists of inflation-protection securities issued by the US Treasury. They must have at least one year until final maturity and at least \$250 million par amount outstanding. Also known as "TIPS".

London Interbank Offered Rate (LIBOR) is the rate of interest at which banks borrow funds, in marketable size, from other banks in the London interbank market. LIBOR, the most widely used benchmark or reference rate for short term interest rates, is an international rate.

The indices are unmanaged and do not represent the performance of any particular investment. You cannot invest directly into the indices.

U.S. Treasury securities are direct debt obligations issued and backed by the "full faith and credit" of the United States government, i.e. timely payment of principal and interest is guaranteed. Income from Treasury securities is exempt from state and local, but not federal income tax.

U.S. Treasury bills are issued with maturities of three months to one year in denominations beginning at \$1,000. Investors purchase bills at a discounted price from their face value. At maturity, the Treasury redeems the bills at full face value. The difference between the discounted price paid and the face value of the bill when it is redeemed is its return.

U.S. Treasury notes are issued with initial maturities of two to ten years and pay interest semi-annually at a fixed, predetermined rate. Notes are issued in minimum denominations of \$1,000.

U.S. Treasury bonds are available in maturities of ten to 30 years and pay interest semi-annually at a fixed, predetermined rate. Treasury bonds are issued in minimum denominations of \$1,000.

The J.P.Morgan Emerging Markets Bond Index Global tracks total returns for traded external debt instruments in the emerging markets, including U.S. dollar-denominated Brady bonds, loans and Eurobonds with an outstanding face value of at least \$500 million.

T.E.Y is the yield equivalence at which the rate of interest on a tax-exempt security and a taxable security of similar quality provide the same return.

The quality of any bond is based on the issuer's financial ability to make interest payments and repay the loan in full at maturity. Standard & Poor's, an independent credit rating services, evaluates the creditworthiness of bonds. They research the financial health of each bond issuer and assign ratings to the bonds being offered.

Bonds rated AAA (highest quality) to BBB (medium) are considered investment grade. Bonds rated BB (speculative) to D (default) are considered non-investment grade. Standard & Poor's append their ratings with a plus or minus indicator to show a bond's ranking within a category. For example, A+ is better than A, and A is better than A-.

All bonds are subject to availability and yields are subject to change. The bond's income may be subject to certain state and local taxes depending upon your tax status and or the federal alternative minimum tax.

This information is intended for educational purposes only and does not constitute the rendering of investment advice or specific recommendations on investment activities and trading.

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