

Domestic markets finished April in positive territory despite some recent signs of weakness in the U.S. economy. Gross domestic product (GDP), a broad measure of national output, grew at a 0.7% annual rate during the first quarter of the year, the slowest pace of expansion in three years. Consumer spending, which accounts for roughly two-thirds of the domestic economy, grew at a 0.3% annualized rate during the first quarter, the slowest rate since 2009. Recent data also shows that more consumers are falling behind on credit cards and automobile loans despite low unemployment rates and rising wages. Data from the Labor Department indicated wages and benefits rose 0.8% in the first quarter, marking its biggest gain in nearly a decade. While consumers appear to have pulled back, business investment spending grew at a 9.3% rate during the first quarter, its fastest pace since 2013, driven largely by a recovery in the energy industry following a rebound in oil prices from the start of last year.

The NASDAQ Composite continued its strong performance for the year and was again the best performing domestic index for the month (+2.3% MTD). The Dow Jones Industrial Average (+1.3% MTD), Russell 2000 (+1.0% MTD), and S&P 500 (+0.9% MTD) also finished April in positive territory. Year-to-date, the NASDAQ (+12.3% YTD) has significantly outperformed the other major domestic indices, including the S&P 500 (+6.5% YTD), DJIA (+6.0% YTD), and Russell 2000 (+3.2% YTD), due in large part to the outperformance of the Technology sector (+15.4% YTD). The Technology sector makes up roughly 48% of the NASDAQ Composite compared to roughly 22% of the S&P 500.

For the month, eight of the eleven sectors were positive, led by the Technology (+2.5% MTD) and

April 2017 Market Watch

	Date	1 Week Ago		1 Month Ago		1 Year Ago		YTD
	4/30/2017	4/23/2017	% chg	3/31/2017	% chg	4/30/2016	% chg	Return *
DJIA	20,940.5	20,547.8	1.9%	20,663.2	1.3%	17,773.6	17.8%	6.0%
S&P 500	2,384.2	2,348.7	1.5%	2,362.7	0.9%	2,065.3	15.4%	6.5%
NYSE Comp Index	11,536.1	11,389.1	1.3%	11,492.9	0.4%	10,436.9	10.5%	4.3%
NASDAQ Composite	6,047.6	5,910.5	2.3%	5,911.7	2.3%	4,775.4	26.6%	12.3%
Russell 2000	1,400.4	1,379.9	1.5%	1,385.9	1.0%	1,130.9	23.8%	3.2%

	Date	1 Week Ago		1 Month Ago		1 Year Ago		YTD
	4/30/2017	4/23/2017	% chg	3/31/2017	% chg	4/30/2016	% chg	Return *
Japan Nikkei 225	19,196.7	18,620.8	3.1%	18,909.3	1.5%	16,666.1	15.2%	0.4%
MSCI EM (Emerging Markets)	978.0	961.8	1.7%	958.4	2.0%	840.2	16.4%	13.4%
MSCI EAFE	1,833.7	1,780.8	3.0%	1,793.0	2.3%	1,693.2	8.3%	8.9%
FTSE 100	7,203.9	7,114.6	1.3%	7,322.9	-1.6%	6,241.9	15.4%	2.3%
SSE Composite Index	3,154.7	3,173.2	-0.6%	3,222.5	-2.1%	2,938.3	7.4%	1.6%

US Equity Sector Performance

	April	YTD	1-yr ret.
Consumer Discretionary	2.4%	11.1%	15.8%
Consumer Staples	1.0%	7.5%	8.6%
Energy	-2.9%	-9.4%	2.1%
Financials	-0.8%	1.7%	27.2%
Health Care	1.5%	10.0%	10.1%
Industrials	1.8%	6.4%	19.4%
Information Tech	2.5%	15.4%	35.4%
Materials	1.4%	7.3%	15.2%
Telecom	-3.3%	-7.1%	0.4%
Utilities	0.8%	7.2%	10.6%
Real Estate Investment Trusts	0.1%	3.5%	4.6%

US Equity Style Performance

	April	YTD	1-yr ret.
Dow Jones Utilities	1.0%	6.8%	7.6%
AMEX DJ TRANS Avg.	-0.2%	0.9%	17.3%
Russell 1000 Value	-0.2%	3.1%	16.6%
Russell 1000 Growth	2.3%	11.4%	19.5%
Russell 2000 Value	0.4%	0.3%	27.2%
Russell 2000 Growth	1.8%	7.3%	24.1%

Consumer Discretionary (+2.4% MTD) sectors. The Telecom (-3.3% MTD & -7.1% YTD) and Energy (-2.9% MTD & -9.4% YTD) sectors were laggards in April and have materially underperformed the broader market year-to-date. International markets were largely mixed in April. The MSCI EAFE (+2.3% MTD) and MSCI Emerging Markets (+2.0% MTD) indices were the best performers for a second month in a row. China's SSE Composite Index (-2.1% MTD) was this month's laggard. For the year, the MSCI Emerging Markets index has been the best performer (+13.4% YTD).

The yield curve continued to flatten in April, as short term rates rose while long term rates declined. Bond prices move inversely to bond yields, therefore an increase in bond yields results in a decline in bond prices and vice versa. The yield on the 3-Month U.S. Treasury bill increased five basis points (bps) to 0.80%, while the yield on the 10-Year U.S. Treasury bond declined 11 bps to 2.28%. The Federal Reserve met the first week of May, keeping key interest rates unchanged and stating that they believe the anemic GDP growth in the first quarter is likely to be transitory.

The Bloomberg Commodity Index declined during the month (-1.6% MTD) due in large part to a continued selloff in crude oil (-3.7% MTD), which finished April at \$48.71 per barrel. Crude oil is down -9.3% YTD. Lastly, April saw continued weakness in the U.S. dollar (-1.4% MTD). A strong U.S. dollar makes exports more expensive to foreign purchasers and weakens corporate profits earned outside of the U.S. Approximately one-third of the earnings for the companies that make up the S&P 500 come from outside of the United States.

*Rockland Trust
Investment Management Group*

Bond Markets (%)

	4/30/2017	1 Mth Ago	1 Yr. Ago
US Benchmark Bond - 3 Month	0.80	0.75	0.21
US Benchmark Bond - 6 Month	0.98	0.90	0.39
US Benchmark Bond - 2 Year	1.27	1.26	0.78
US Benchmark Bond - 5 Year	1.81	1.92	1.29
US Benchmark Bond - 10 Year	2.28	2.39	1.83
US Benchmark Bond - 30 Year	2.95	3.01	2.68

US Bond Sector Performance

	April	YTD	1-Year Return
Barclays U.S. Aggregate Govt. Interm. TR	0.5%	-0.1%	-0.1%

Exchange Rates (Rate per US dollar)

	4/30/2017	1 month Ago	1 Year Ago
Canadian Dollar	1.367	1.334	1.253
Mexican New Peso	18.978	18.834	17.129
Euro	0.918	0.935	0.873
British Pound	0.773	0.800	0.683
Swiss Franc	0.995	1.001	0.959
Chinese Yuan	6.897	6.892	6.485
Indian Rupee	64.330	64.935	66.330
Japanese Yen	111.470	111.430	106.995

*Performance for world indices represents price returns (excluding dividends) for the DJIA, S&P 500, NASDAQ, Russell 2000, MSCI EM, MSCI EAFE, NYSE, SSE, and Nikkei, due to data availability.

**Not FDIC Insured • Not Bank Guaranteed • May Lose Value • Not a Deposit •
Not Insured by any Federal Government Agency**

Investments in stocks, bonds, mutual funds, and other securities are not bank deposits or obligations, are not guaranteed by any bank, and are not insured or guaranteed by the FDIC (Federal Deposit Insurance Corp.), the Federal Reserve Board, or any other government agency. Investments in stocks, bonds, and mutual funds involve risks, including possible loss of principal.

Commodities (In US dollars)

	4/30/2017	1 Mth Ago	1 Yr. Ago
Gold	1,268.0	1,251.20	1,290.5
Crude Oil	48.71	50.60	45.92
US Dollar Index	98.81	100.22	93.05
DJ UBS Commodity IDX	84.01	85.35	85.52

Interest Rates (%)

	4/30/2017	1 Mth Ago	1 Yr. Ago
PRIME RATE	4.00	4.00	3.50
FEDERAL FUNDS RATE	0.91	0.91	0.38
LIBOR RATE 30 DAY	0.16	0.16	0.16
LIBOR RATE 3 MONTHS	0.23	0.23	0.23
30YR FIXED MORTGAGE	4.03	4.14	3.66

Economic Sentiment

	4/30/2017	1 Yr. Ago
Unemployment Rate	4.50%	5.00%
Average Single Family Home (\$)	279,100	274,300
Capacity Utilization	76.10%	75.65%