28 March 2017 World markets wondered what would happen after the month-long effort to repeal ACA failed. Would America return to a recent historical polarized political environment or would the great expectations of the Trump presidency materialize? In the end, valuations and earnings were on top of the decision tree. We have made the same statement for decades, the economy and market are more important in the long term than the Oval office. American markets fell initially by over 1% only to end the day off by 0.06% with annual gains at 4.48% once the dust settled.

Security Name	Ticker	Current	% CHG Day	% CHG YTD
U.S.				
iShares DJ US ETF	IYY	117.07	(0.06)	4.48
iShares Core S&P 500 ETF	IVV	235.05	(0.14)	4.47
iShares Core S&P Mid-Cap ETF	IJH	168.44	(0.13)	1.87
iShares Core S&P Small-Cap ETF	IJR	67.73	0.10	(1.50)
U.S. Sectors				
SPDR Consumer Discretionary	XLY	86.53	(0.03)	6.30
SPDR Cons Staples Slct	XLP	54.65	(0.09)	5.69
SPDR Energy Sel Sectr	XLE	68.24	(0.47)	(9.40)
SPDR Financial Select	XLF	23.45	(0.38)	0.86
SPDR Health Care Select Sector	XLV	74.49	0.27	8.05
SPDR Industrials Slct	XLI	64.30	(0.36)	3.34
SPDR Materials Select	XLB	51.77	0.21	4.16
Real Estate Select Sector SPDR	XLRE	31.10	(0.80)	1.14
SPDR Select Technology	XLK	52.84	-	9.26
iShares DJ US Telecom ETF	IYZ	31.73	(1.12)	(8.03)
SPDR Utilities Select	XLU	51.69	(0.39)	6.42
U.S. Bonds				
iShares Barclays 1-3 yr Tr Bnd	SHY	84.52	0.04	0.08
iShares S&P Natl AMT-Fr Mun	MUB	108.95	0.16	0.71
iShares iBoxx $ Inves Grd Corp	LQD	117.97	0.21	0.67
iShares iBoxx $ HY B ETF	HYG	86.74	(0.10)	0.22
iShares Barclays MBS Bond ETF	MBB	106.55	0.16	0.20
International Stocks				
iShares MSCI EAFE ETF	EFA	62.30	0.26	7.92
iShares MSCI United Kingdom	EWU	32.53	0.18	6.00
iShares MSCI EMU ETF	EZU	37.62	0.48	8.73
iShares MSCI Japan ETF	EWJ	51.90	0.06	6.22
iShares MSCI Pacific Ex Jap	EPP	44.10	(0.07)	11.45
iShares China Large Cap ETF	FXI	39.06	(0.48)	12.53
iShares MSCI Emerg Mkts ETF	EEM	39.70	(0.28)	13.40
International Bonds				
iShares Core US Aggrgt Bd ETF	AGG	108.62	0.00	0.52
iShares Int'l Treasury Bnd ETF	IGOV	92.18	0.00	2.63
SPDR Barclays Interntl Corp Bd	IBND	31.60	0.01	2.33

Small cap stocks remained negative but were able to gain 0.10% which was better than either the large cap or mid cap classifications. Health Care posted a gain of 0.27% along with Materials at 0.21%. The other 8 sectors slid backwards with Telecom giving up the most with a loss of 1.12% for the day, pushing the YTD loss higher to 8.03%. Technology remains the best performing sector at 9.26% for the year so far.

Bond markets remain positive for the most part, but all under 1% for the year. Investment grade corporates are on top with a 0.67% year to date gain. All classifications are now positive for the year with only High Yield bonds sliding backwards yesterday slightly at 0.10%.

World markets were mixed with most of the developed world posting gains except the Pacific X-Japan on the day. All areas remain positive for the year and all categories are outperforming the USA. Emerging markets remain on top at 13.40% for the year. Global bond markets are also performing well where sovereign debt is ahead by 2.63%.

Health Care took 5 of the top 10 slots in the American markets, all coming from mid and small cap classifications. Impax Labs [IPXL] moved into the #1 spot posting a 37.29% gain for the day which was astounding given the next best performer was at 9.75%.

On the less fortunate side of the market Energy took 4 of the 10 spots, but not #1 which was reserved for a retailer, G-III Apparel. Retailers have taken a beating since to beginning of the year while the industry finally realizes digital shopping and distribution is real. Even though digital shopping remains in the minority, 20%, it will reshape distribution and marketing for the next decade. “Location, location, location” now has a new dimension to be considered.

Overall Top 10 for Previous Day					
RANK	Ticker	Name	% Day	Sector	Mkt-Cap
1	IPXL	Impax Laboratories, Inc.	0.372973	Health Care	S&P600
2	GIFI	Gulf Island Fabrication	0.097561	Energy	S&P600
3	TUES	Tuesday Morning Corp.	0.090909	Consumer Discretionary	S&P600
4	RT	Ruby Tuesday Inc.	0.089796	Consumer Discretionary	S&P600
5	QNST	QuinStreet, Inc.	0.074074	Information Technology	S&P600
6	MPAA	Motorcar Parts Of America, Inc	0.071403	Consumer Discretionary	S&P600
7	MDRX	Allscripts Healthcare Solution	0.070117	Health Care	S&P400
8	ADPT	Adeptus Health Inc. Class A	0.069182	Health Care	S&P600
9	BEAT	BioTelemetry, Inc.	0.056391	Health Care	S&P600
10	ANIP	ANI Pharmaceuticals, Inc.	0.054577	Health Care	S&P600

Overall Bottom 10 for Previous Day					
RANK	Ticker	Name	% Day	Sector	Mkt-Cap
1	GIII	G-III Apparel Group Ltd.	-0.14092	Consumer Discretionary	S&P600
2	ITGR	Integer Holdings Corporation	-0.06388	Health Care	S&P600
3	DHX	DHI Group, Inc.	-0.06118	Information Technology	S&P600
4	WAGE	Wageworks Inc	-0.05973	Industrials	S&P600
5	HOS	Hornbeck Offshore Services Inc	-0.05926	Energy	S&P600
6	SNCR	Synchronoss Technologies	-0.05204	Information Technology	S&P600
7	PES	Pioneer Energy Services Corp.	-0.05	Energy	S&P600
8	FCX	Freeport-McMoRan Inc.	-0.04684	Materials	S&P500
9	NOG	Northern Oil & Gas Inc.	-0.03922	Energy	S&P600
10	PTEN	Patterson-UTI Energy Inc	-0.03875	Energy	S&P400

A new stock has been entered into the index today, Penn National Gaming {PENN] will be added to the S&P Small Cap index replacing Cynosure [CYNO] because Cynosure is being acquired by Hologic [HOLX].

Ticker	Name	Relative Value	Curr Pr	Under/Over
IVV	iShares Core S&P 500 ETF	104.0%	$ 235.05	
IJH	iShares Core S&P Mid-Cap ETF	117.0%	$ 168.44	
IJR	iShares Core S&P Small-Cap ETF	110.8%	$ 67.73	

Mid cap stocks remain the highest in relative fair value at 117%FV, three percentage points away from a fair value cautionary watch (120%FV). Followed by Small Cap stocks at 110.8%FV. With the Large Cap at 104%FV it is not surprising that Small Cap is struggling so far this year when uncertainty plays a role. Last year Small Cap approached an overvalued position several times as markets were seeing opportunity. It is comforting to see the markets stay close together rather than leaving one classification behind, we would expect some Mid Cap stocks to retreat over the year.