



Answers to quiz in Fourth Quarter 2017 Market Perspectives

1. In what year did the S&P 500 have a record number of new highs?

- A. 1928
- B. 1964
- C. 1995
- D. 2017

Answer: C. While 2017 and 1964 were both stellar stock market years with 62 record closings, 1995 still holds the record of 77 new highs for the S&P 500. 1928, shortly before the start of the Great Depression, comes in at third place with 59 recorded highs for the year.

2. Which equity class returned 38% in 2017?

- A. U.S. Large Cap
- B. U.S. Small Cap
- C. International -Developed Markets
- D. International – Emerging Markets

Answer: D. With a weakening US dollar, lower oil prices, strengthening economic fundamentals, reasonable management of the Chinese economy, and growing middle classes, 2017 was a stellar year for Emerging Markets which returned 37.8%, especially in contrast to 2011, 2013-2015 which saw negative returns. U.S. Large Cap (as represented by the S&P 500) returned 21.83% in 2017. U.S. Small Cap (Russell 2000), 14.65%. International – Developed Markets (S&P Developed Ex US BMI), 26.75%.

3. On November 11 -- “Singles’ Day” in China -- how long did it take Chinese e-commerce platform provider, Alibaba, to equal U.S. Thanksgiving weekend retail sales?

- A. 14 hours
- B. 1 day
- C. 3 days
- D. Did not reach U.S. Thanksgiving sales

Answer: A. Singles’ Day in China is a holiday for unmarried people to treat themselves to gifts. In 2017, mammoth online retailer Alibaba had \$25.3 billion in sales in just 14 hours as compared to \$14.5 billion for the entire Thanksgiving weekend (Thursday – Monday) in the U.S.

4. How many times in 2017 did the Federal Reserve raise its benchmark interest rate?

- A. One
- B. Two
- C. Three
- D. Four

Answer: C. Although C is the correct answer, each of the numbers marks a significant change at the Fed. 1 = one Fed chair out (Janet Yellen) and a new one in (Jerome Powell). 2 = Two new Federal Reserve Banks searching for new presidents (Minneapolis and New York). 3 = Three rate hikes in 2017. The Fed chose to raise rates .25% again in December in an attempt to stay ahead of the energized U.S. economy. 4 = four current members of the Federal Reserve Board of Governors. The board usually has 7 members. President Trump will be searching for candidates to fill the vacancies.

5. Which of these facts about North Korea is FALSE?

- A. The nickname of North Korean leader Kim Jong Un's haircut is "Ambitious" and all male Koreans are "encouraged" to copy the style.
- B. North Korea is about the size of Delaware.
- C. On the 4th of July, the North Koreans announced that they had given President Trump a "gift" in the form of a successful ICBM launch in honor of U.S. Independence Day.
- D. The North Koreans formed their own time zone called Pyongyang Time.

Answer: B. North Korea is actually the size of Pennsylvania – about 120,000 square kilometers... but less than 20% of its land is arable (about the size of New Hampshire).

BONUS QUESTION: On April 15, April the Giraffe, to the delight of millions of enraptured fans procrastinating about finishing their income taxes, finally gave birth live on YouTube to a baby boy. What did April name her calf?

- A. Simba
- B. Tijiri
- C. Freckles
- D. George

Answer: B. The baby giraffe was named "Tijiri" -- "Taj" for short -- which means "hope" in Swahili. He was 5'9" tall at birth. "Simba," of course, is the name of Disney's *Lion King* cub. "Freckles" was one of Disney's *101 Dalmatians*. And "George," well, he was our first President, and as far as we know, not a giraffe.