First Trust — Market Watch

Week of November 10th

STOCK INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2007	5-yr.
DOW JONES 30 (8944)	-3.92%	-30.99%	-30.90%	8.88%	0.49%
S&P 500 (931)	-3.78%	-35.38%	-35.50%	5.49%	-0.57%
NASDAQ 100 (1272)	-4.70%	-38.76%	-41.07%	19.24%	-2.01%
S&P 500/Citigroup Growth	-3.26%	-34.09%	-33.93%	9.25%	-1.52%
S&P 500/Citigroup Value	-4.36%	-36.74%	-37.13%	2.03%	0.37%
S&P MidCap 400/Citigroup Growth	-5.24%	-37.40%	-37.91%	13.55%	-0.31%
S&P MidCap 400/Citigroup Value	-4.86%	-35.21%	-36.14%	2.84%	1.29%
S&P SmallCap600/Citigroup Growth	-5.65%	-32.28%	-33.40%	5.66%	1.50%
S&P SmallCap600/Citigroup Value	-6.53%	-29.82%	-30.71%	-5.19%	1.61%
MSCI EAFE	0.33%	-43.09%	-45.17%	11.76%	4.02%
MSCI World (ex US)	0.42%	-42.80%	-45.14%	13.04%	4.43%
MSCI World	-1.77%	-39.38%	-40.75%	9.69%	1.81%
MSCI Emerging Markets	-0.98%	-53.72%	-55.62%	39.23%	8.60%

Source: Bloomberg. Returns are total returns. *The 5-yr. return is an average annual.* One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 11/07/08.

S&P SECTOR PERFORMANCE

Index	Week	YTD	12-mo.	2007	5-yr.
Consumer Discretionary	-7.04%	-35.24%	-38.41%	-13.21%	-5.96%
Consumer Staples	-1.20%	-14.61%	-11.24%	14.36%	5.07%
Energy	-1.87%	-33.93%	-30.01%	34.41%	17.00%
Financials	-7.90%	-49.40%	-50.64%	-18.52%	-9.48%
Health Care	-1.44%	-23.57%	-22.26%	7.32%	0.89%
Industrials	-4.13%	-38.57%	-39.34%	12.04%	0.45%
Information Technology	-5.52%	-40.53%	-42.83%	16.30%	-4.61%
Materials	-4.07%	-41.31%	-41.03%	22.53%	2.63%
Telecom Services	1.36%	-34.48%	-33.17%	11.88%	4.86%
Utilities	-0.44%	-29.92%	-27.42%	19.38%	9.60%

Source: Bloomberg. Returns are total returns. *The 5-yr. return is an average annual.* One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 11/07/08.

BOND INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2007	5-yr.
U.S. Treasury: Intermediate	0.89%	6.25%	8.36%	8.83%	4.66%
GNMA 30 Year	1.91%	4.18%	6.11%	6.97%	4.99%
U.S. Aggregate	1.55%	-0.22%	1.55%	6.97%	3.93%
U.S. Corporate High Yield	0.15%	-24.27%	-25.18%	1.88%	0.37%
U.S. Corporate Investment Grade	2.16%	-12.62%	-12.09%	4.56%	0.93%
Municipal Bond: Long Bond (22+)	1.42%	-12.41%	-11.36%	0.46%	1.96%
Global Aggregate	1.35%	-2.82%	-2.48%	9.48%	4.59%

Source: Lehman Bros. Returns include reinvested interest. *The 5-yr. return is an average annual.* One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 11/07/08.

KEY RATES

As of 11/07

Fed Funds	1.00%	5-YR CD	3.89%
LIBOR (1-month)	2.18%	2-YR Note	1.32%
CPI - Headline	4.90%	5-YR Note	2.55%
CPI - Core	2.50%	10-YR T-Bond	3.77%
Money Market Accts.	2.45%	30-YR T-Bond	4.24%
Money Market Funds	1.47%	30-YR Mortgage	6.38%
6-mo. CD	3.02%	Prime Rate	4.00%
1-YR CD	3.48%	Bond Buyer 40	5.86%

Sources: Bankrate.com, iMoneyNet.com and Bloomberg

MARKET INDICATORS

As of 11/07

TED Spread:	Investment Grade Spread	ML High Yield Master II
189 bps	(A2): 548 bps	Index Spread: 1605 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

WEEKLY FUND FLOWS

	Week of 11/06	Previous
Equity Funds	**-$31.9 B**	**-$2.7 B**

Including ETF activity, Domestic funds reporting net outflows of -$17.885 B and Non-domestic funds reporting net outflows of -$14.003 B.

Bond Funds	**-$41.3 B**	**-$3.9 B**

The largest net outflows were from Investment Grade Corporate Bond funds, -$14.156 B.

Municipal Bond Funds	**-$6.919 B**	**-$134 M**

This represents record net cash outflows of 2008.

Money Markets	**$138.355 B**	**-$3.258 B**

The largest inflows since January, as General Money Market funds report net inflows of $15.879 B and Government Money Market funds report net inflows of $122.476 B, representing the largest two month reallocation/flight to safety in history.

Source: AMG Data Services

FACTOIDS FOR THE WEEK OF NOVEMBER 3RD - NOVEMBER 7TH

Monday, November 3, 2008
To date, writedowns from subprime mortgage exposure and related securities by financial institutions totaled $684 billion worldwide, while the amount of capital raised by these institutions to offset said losses stands at $690 billion, according to Bespoke Investment Group. Up until October, however, financial institutions were woefully undercapitalized. The following shows the amount of capital vs. writedowns by quarter: Q3'07 ($9B vs. $42B); Q4'07 ($54B vs. $203B); Q1'08 ($138B vs. $367B); Q2'08 ($299B vs. $479B); Q3'08 ($391B vs. $615B).

Tuesday, November 4, 2008
In October, the dividend-payers (377) in the S&P 500 (equal weight) posted a total return of -20.39%, vs. -21.87% for the non-payers (123), according to Standard & Poor's. Year-to-date, the payers declined 34.72%, vs. a loss of 38.82% for the non-payers. For the 12-month period ended October '08, payers fell 38.57%, vs. a decline of 44.86% for the non-payers. The number of dividend increases (S&P 500) year-to-date totaled 213. That lagged the 239 increases over the same period in 2007 and 244 increases registered in 2006. The dividend yield on the index stood at 2.81% at the end of October – almost as high as the yield on a 5-yr. T-Note (2.83%).

Wednesday, November 5, 2008
The 52 global equity markets lost a record $5.79 trillion in October, according to Standard & Poor's. That was up from $4 trillion in September – the previous all-time high. S&P estimates that investors have lost $16.22 trillion over the first ten months of 2008. The U.S. currently represents 45.9% of all global equity issues, up from 40.5% in May 2008.

Thursday, November 6, 2008
So far in 2008, 33 companies worldwide with combined debt of $194.4 billion have had their credit ratings lowered from investment-grade to junk status, according to Diane Vazza of Standard & Poor's. Corporate bonds downgraded to this degree are referred to as "fallen angels." The debt held by these 33 firms is 44% higher than last year's group. Another 47 companies with $117.0 billion in debt have the potential to be downgraded in the months ahead.

Friday, November 7, 2008
The release of the Q3'08 edition of the *Investment Manager Outlook*, a survey of investment managers conducted by Russell Investment Group, was delayed due to the turmoil in the markets in September so a special November edition was issued. The survey found that 45% of managers consider the markets to be oversold – all-time survey high. Managers currently favor companies with minimal debt and high levels of cash on their balance sheets. The sectors they are most bullish on are health care, technology and consumer staples. Their top asset classes are U.S. Large-Cap Growth, U.S. Mid-Cap Growth and U.S. Small-Cap Growth. Their favorite debt group is high yield corporates and their least favorite asset class is real estate.