FIRST Trust ADVISORS L.P.
1001 Warrenville Road, Suite 300, Lisle, IL 60532 630/241-4141

For The Week Ended March 28, 2008
Weekly Market Commentary & Developments

US Economy and Credit Markets:

Yields and Weekly Changes:

3 Mo. T-Bill	1.36 (+79 bps)	**GNMA (30 Yr) 8% Coupon:** 106-16/32 (5.26%)	
6 Mo. T-Bill	1.51 (+33 bps)	**Duration:** 3.09 years	
2 Yr. T-Note	1.65 (+06 bps)	**30-Year Insured Revs**: 117.4% of 30 Yr. T-Bond	
5 Yr. T-Note	2.51 (+14 bps)	**Bond Buyer 40 Yield**: 5.20% (-01 bps)	
10 Yr. T-Note	3.44 (+11 bps)	**Crude Oil Futures**: 105.39 (+3.83)	
30 Yr. T-Bond	4.32 (+16 bps)	**Gold Futures**: 939.60 (+19.60)	
		Merrill Lynch High Yield Indices:	
		BB, 7-10 Yr.	8.04% (-05 bps)
		B, 7-10 Yr.	10.65% (-19 bps)

Treasury prices fell for the week, sending yields higher, on mixed news from the economy. From the housing sector, there was some rare positive news. Existing home sales increased more than expected in February, and, while new home sales dropped once again, the decline was better than forecasts. Treasurys did rally Tuesday as February's durable goods orders showed a 1.7% decline, while expectations had been for a 0.7% increase. Fourth quarter GDP showed growth of 0.6% in its final revision, matching both the previous estimates and forecasters' estimates. That growth in GDP, along with a decline in first-time claims for unemployment, sent Treasury prices downward Thursday, as some of the fears relating to the economy were mitigated. Prices rebounded Friday as reports showed that consumer spending was flat in February. Economic reports (and related consensus forecasts) for the coming week include: Monday: March Chicago Purchasing Manager Index (46.0); Tuesday: March ISM Manufacturing (47.5, Prices Paid 74.0) and March Total Vehicle Sales (15.3 million); Wednesday: February Factory Orders (-0.8%); Thursday: Initial Jobless Claims (365,000) and March ISM Non-Manufacturing Index (48.6); Friday: March Employment Report, including Change in Nonfarm Payrolls (-53,000), Unemployment Rate (5.0%), Average Hourly Earnings (+0.3%), and Average Weekly Hours (33.7).

US Stocks:

Weekly Index Performance

DJIA	12216.40 (-144.92,-1.2%)
S&P 500	1315.22 (-14.29,-1.1%)
S&P MidCap	772.48 (+2.63,+0.3%)
S&P Small Cap	361.96 (-0.33,-0.1%)
NASDAQ Comp	2261.18 (+3.07,+0.1%)
Russell 2000	683.18 (+1.76,+0.3%)

Market Indicators

Strong Sectors: Materials, Energy, Telecom, Industrials, Biotechnology
Weak Sectors: Financials, Retail, Technology
NYSE Advance/Decline: 2,204 / 1,376
NYSE New Highs/New Lows: 80 / 110
AAII Bulls/Bears: 41.6% / 33.6%

US stocks started well but slumped over the final three sessions to post losses for the fourth week in five. Renewed worries over Financials, the US consumer and the outlook for corporate profits combined to weigh on trading. More than one sell-side analyst cut earnings estimates and price targets for major banks. **JPMorgan Chase** raised its offer for **Bear Stearns** from roughly $2 per share to $10 per share. **Lehman Brothers** shares fell 22% despite the bank's assurance it isn't in financial trouble. One measure of consumer confidence registered its lowest reading since 1973. On Friday, **J.C. Penney** sharply lowered its fiscal first-quarter outlook, an ominous sign for department stores. **Oracle**'s third-quarter revenues fell short of analysts' estimates, inviting debate over corporate spending. **Google**'s shares weathered well some disappointing click-through data. **Motorola**'s flat performance reflected skepticism over its plan to separate into two publicly-traded entities. The prospect of completion for the $19 billion buyout of **Clear Channel Communications** apparently dimmed as measured by a 15% drop in the shares last week. Commodity-linked shares returned to the winner's column. **U.S. Steel** got a boost from an analyst upgrade. **Monsanto** shares marched higher after the company raised guidance for the third time this year. Energy shares were strong as crude oil gained 3.5% on the week. Looking ahead, the coming week brings important data from retailers on monthly same-store sales and the March employment report. **Philip Morris International** begins trading Monday following its separation from parent **Altria**. Progress for stocks in the upcoming second quarter and beyond will likely depend on how the consumer stands up to higher prices at the pump and in the grocery store, coming with falling residential real estate values.