First Trust Market Watch

Week of March 16th

STOCK INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2008	5-yr.
DOW JONES 30 (7224)	9.13%	-16.93%	-38.61%	-31.92%	-4.41%
S&P 500 (757)	10.79%	-15.67%	-40.97%	-36.99%	-5.68%
NASDAQ 100 (1169)	9.78%	-3.36%	-32.82%	-41.57%	-3.52%
S&P 500/Citigroup Growth	8.45%	-10.84%	-35.47%	-34.91%	-4.88%
S&P 500/Citigroup Value	13.71%	-20.75%	-46.53%	-39.19%	-6.63%
S&P MidCap 400/Citigroup Growth	10.96%	-11.44%	-39.12%	-37.58%	-3.60%
S&P MidCap 400/Citigroup Value	13.07%	-18.00%	-40.89%	-34.78%	-4.32%
S&P SmallCap600/Citigroup Growth	10.82%	-20.72%	-41.30%	-32.84%	-4.49%
S&P SmallCap600/Citigroup Value	12.54%	-24.47%	-42.58%	-29.50%	-5.52%
MSCI EAFE	5.97%	-20.38%	-49.64%	-43.07%	-2.54%
MSCI World (ex US)	6.40%	-19.54%	-49.63%	-43.26%	-2.10%
MSCI World	8.51%	-17.34%	-45.49%	-40.39%	-3.88%
MSCI Emerging Markets	8.19%	-6.57%	-50.77%	-53.49%	4.99%

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 3/13/09.

S&P SECTOR PERFORMANCE

Index	Week	YTD	12-mo.	2008	5-yr.
Consumer Discretionary	12.25%	-15.32%	-39.48%	-33.49%	-9.21%
Consumer Staples	4.83%	-13.17%	-22.99%	-15.44%	0.66%
Energy	6.74%	-14.08%	-41.14%	-34.89%	8.96%
Financials	33.97%	-34.60%	-65.70%	-55.23%	-20.35%
Health Care	9.51%	-9.04%	-21.01%	-22.80%	-2.72%
Industrials	12.42%	-26.76%	-52.89%	-39.92%	-7.02%
Information Technology	9.80%	-2.75%	-34.85%	-43.14%	-5.74%
Materials	11.82%	-10.05%	-50.66%	-45.64%	-2.49%
Telecom Services	7.42%	-10.87%	-23.43%	-30.47%	0.36%
Utilities	2.23%	-18.55%	-35.68%	-28.99%	3.27%

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 3/13/09.

BOND INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2008	5-yr.
U.S. Treasury: Intermediate	-0.07%	-1.35%	5.51%	11.35%	4.63%
GNMA 30 Year	0.40%	1.34%	7.49%	7.87%	5.34%
U.S. Aggregate	-0.13%	-1.04%	3.07%	5.24%	3.85%
U.S. Corporate High Yield	1.99%	1.26%	-21.86%	-26.16%	-1.02%
U.S. Corporate Investment Grade	-1.09%	-3.18%	-7.29%	-4.94%	0.78%
Municipal Bond: Long Bond (22+)	-0.57%	6.54%	-4.66%	-14.68%	1.36%
Global Aggregate	0.30%	-4.86%	-5.82%	4.79%	3.86%

Source: Barclays Capital. Returns include reinvested interest. *The 5-yr. return is an average annual.* One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 3/13/09.

KEY RATES

As of 3/13

Fed Funds	0.25%	5-YR CD	2.64%
LIBOR (1-month)	0.56%	2-YR T-Note	0.96%
CPI - Headline	0.10%	5-YR T-Note	1.86%
CPI - Core	1.70%	10-YR T-Note	2.89%
Money Market Accts.	1.39%	30-YR T-Bond	3.67%
Money Market Funds	0.33%	30-YR Mortgage	5.09%
6-mo. CD	1.58%	Prime Rate	3.25%
1-YR CD	2.05%	Bond Buyer 40	5.57%

Sources: Bankrate.com, iMoneyNet.com and Bloomberg

MARKET INDICATORS

As of 3/13

TED Spread:	109 bps
Investment Grade Spread (A2):	564 bps
ML High Yield Master II Index Spread:	1799 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

WEEKLY FUND FLOWS

Estimated Flows to Long-Term Mutual Funds

	Current Week	Previous
Domestic Equity	-$13.343 Billion	-$12.374 Billion
Foreign Equity	-$6.412 Billion	-$5.581 Billion
Taxable Bond	$767 Million	$2.577 Billion
Municipal Bond	$796 Million	$810 Million

Change in Money Market Fund Assets

	Current Week	Previous
Retail	$10.67 Billion	$10.98 Billion
Institutional	-$10.21 Billion	$7.04 Billion

Source: Investment Company Institute

FACTOIDS FOR THE WEEK OF MARCH 9TH - MARCH 13TH

Monday, March 9, 2009
Last week's survey of investor sentiment by the American Association of Individual Investors registered an index level of 70.27% (Bearish Sentiment) – the most bearish investors have been in the history of the survey, according to Bespoke Investment Group. The S&P 500 is trading about 56% below its peak of 1565.15 (10/9/07). Strategists on Wall Street are forecasting, on average, a 47% rise in the S&P 500 to 1006.7 by year-end. The average trough-to-peak recovery period after bear markets is 3.3 years, according to InvesTech Research.

Tuesday, March 10, 2009
Over half of the stocks in the S&P 500 will begin today's trading session with P-E ratios below 15, which is the market's long-term historical average, according to S&P's Capital IQ. There are 192 constituents in the index sporting a P-E of 10 or less based on trailing 12-month earnings, down from 36 at the end of 2007 (S&P 500 peaked on October 9, 2007).

Wednesday, March 11, 2009
Yesterday's 6.37% gain in the S&P 500 was the largest since November 24, 2008. The average stock in the index was actually up 8.18%, which means the largest constituents lagged, according to Bespoke Investment Group. The 50 worst performing stocks in the index from 1/6-3/9 were up an average of 18.31%, while the 50 stocks that held up the best over that period were up an average of 4.39%.

Thursday, March 12, 2009
The price of gold bullion closed yesterday's trading at $910.70 per ounce, down 6.7% from $976.00 a year ago. Newmont Mining CEO Richard O'Brien sees gold trading between $900 and $1,200 per ounce over the next few years, according to Reuters. Gold peaked at $1,004.30 on March 18, 2008. Newmont is based in Colorado and is the second largest gold miner in the world. Mining stocks are on sale as evidenced by the 41% decline in the Philadelphia Gold & Silver Index over the past 12 months. Most gold buyers have been buying bullion. Investors bought a net $9.7 billion worth of gold last year via ETFs, according to SmartMoney.com. From September 2008 through January 2009, the U.S. Mint sold 816,500 American Eagle gold coins, up three-fold over the same period a year earlier.

Friday, March 13, 2009
Auto sales, including cars and light trucks, fell from a seasonally adjusted annual rate of 15.4 million in February 2008 to 9.1 million in February 2009 – a decline of 41% and the lowest level since December 1981, according to sales tracker Autodata. The 9.1 million sales pace is well below the 11-13 million cars destroyed each year for scrap metal, according to Bob Schnorbus, chief economist for J.D. Power & Associates. This implies there could be some pent up demand building. The government assistance being provided to GM and Chrysler may need to extend to auto parts suppliers if sales don't rebound soon. Grant Thornton International just warned that more than 500 suppliers in the U.S. are on the brink of failure, according to *BusinessWeek*.