First Trust

Market Watch

Week of April 27th

Stock Index Performance

Index	Week	YTD	12-mo.	2008	5-yr
DOW JONES 30 (8076)	-0.63%	-6.92%	-35.06%	-31.92%	-2.68%
S&P 500 (866)	-0.36%	-3.25%	-35.96%	-36.99%	-3.42%
NASDAQ 100 (1373)	1.43%	13.60%	-28.19%	-41.57%	-1.25%
S&P 500/Citigroup Growth	0.44%	0.70%	-31.59%	-34.91%	-3.09%
S&P 500/Citigroup Value	-1.28%	-7.41%	-40.44%	-39.19%	-3.88%
S&P MidCap 400/Citigroup Growth	-0.68%	5.61%	-32.27%	-37.58%	-0.72%
S&P MidCap 400/Citigroup Value	0.76%	0.20%	-32.92%	-34.78%	-0.54%
S&P SmallCap600/Citigroup Growth	0.23%	-3.18%	-31.94%	-32.84%	-1.17%
S&P SmallCap600/Citigroup Value	0.47%	-5.39%	-30.76%	-29.50%	-1.53%
MSCI EAFE	0.80%	-4.71%	-42.88%	-43.07%	0.37%
MSCI World (ex US)	0.87%	-3.55%	-42.61%	-43.26%	0.90%
MSCI World	0.24%	-3.18%	-39.48%	-40.39%	-1.26%
MSCI Emerging Markets	0.75%	15.03%	-43.99%	-53.49%	8.83%

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 4/24/09.

S&P Sector Performance

Index	Week	YTD	12-mo.	2008	5-yr
Consumer Discretionary	1.37%	6.97%	-27.20%	-33.49%	-5.40%
Consumer Staples	-2.57%	-9.16%	-21.58%	-15.44%	0.96%
Energy	0.65%	-6.70%	-40.80%	-34.89%	10.14%
Financials	-1.32%	-11.82%	-57.00%	-55.23%	-14.98%
Health Care	-3.70%	-9.96%	-22.63%	-22.80%	-3.57%
Industrials	1.82%	-7.56%	-42.85%	-39.92%	-3.50%
Information Technology	1.95%	15.93%	-28.64%	-43.14%	-2.99%
Materials	2.18%	10.16%	-41.79%	-45.64%	0.94%
Telecom Services	-2.40%	-4.39%	-24.99%	-30.47%	1.39%
Utilities	-2.04%	-12.02%	-34.31%	-28.99%	5.14%

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 4/24/09.

Bond Index Performance

Index	Week	YTD	12-mo.	2008	5-yr
U.S. Treasury: Intermediate	-0.16%	-1.22%	7.37%	11.35%	5.14%
GNMA 30 Year	0.02%	2.41%	8.42%	7.87%	5.85%
U.S. Aggregate	0.07%	0.45%	4.41%	5.24%	4.69%
U.S. Corporate High Yield	0.87%	14.75%	-15.64%	-26.16%	1.56%
U.S. Corporate Investment Grade	0.26%	0.39%	-4.24%	-4.94%	2.14%
Municipal Bond: Long Bond (22+)	1.24%	11.87%	-3.01%	-14.68%	3.15%
Global Aggregate	1.06%	-2.55%	-2.22%	4.79%	4.85%

Source: Barclays Capital. Returns are total returns. The ***5-yr. return is an average annual.*** One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 4/24/09.

Key Rates

As of 4/24

Fed Funds	0.25%	5-YR CD	3.00%
LIBOR (1-month)	0.44%	2-YR T-Note	0.94%
CPI - Headline	-0.40%	5-YR T-Note	1.93%
CPI - Core	1.80%	10-YR T-Note	2.98%
Money Market Accts.	1.31%	30-YR T-Bond	3.87%
Money Market Funds	0.22%	30-YR Mortgage	4.88%
6-mo. CD	1.74%	Prime Rate	3.25%
1-YR CD	2.31%	Bond Buyer 40	5.38%

Sources: Bankrate.com, iMoneyNet.com and Bloomberg.

Market Indicators

As of 4/24

TED Spread	95 bps
Investment Grade Spread (A2)	508 bps
ML High Yield Master II Index Spread	1485 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 4/15/09

Estimated Flows to Long-Term Mutual Funds

	Current Week		Previous	
Domestic Equity	$1.885	Billion	$3.273	Billion
Foreign Equity	$808	Million	$563	Million
Taxable Bond	$4.769	Billion	$5.792	Billion
Municipal Bond	$769	Million	$864	Million

Change in Money Market Fund Assets

	Current Week		Previous	
Retail	-$16.30	Billion	-$7.24	Billion
Institutional	$4.96	Billion	-$21.25	Billion

Source: Investment Company Institute

Factoids for the week of April 20th – April 24th

Monday, April 20, 2009

A couple of metrics are suggesting that the debt markets are thawing and a good chunk of the credit can go to the programs initiated by the Federal Reserve, according to *Forbes*. The TED spread (Treasuries-over-Eurodollars) is currently at 96 basis points, down from its widest point of 463 basis points in October 2008. The lower the spread the more likely we are to see interbank lending. LIBOR (London interbank offered rate) tracks the interest banks charge each other. The 3-month LIBOR rate is currently at 1.10%, down from 4.82% on October 10, 2008. With respect to new issuance in the U.S., corporate debt ($215.1 billion) and municipal debt ($85.0 billion) were the most active markets in Q1'09 by far, according to data from Thomson Reuters.

Tuesday, April 21, 2009

Dealogic reported that the dollar volume of U.S. mergers nearly doubled in Q1'09 from Q4'08, according to *USA TODAY*. Volume totaled $217.1 billion. The $61.7 billion announced in March was 37% higher than the volume in March 2008. Year-to-date, 2,012 deals have been announced worth $268.4 billion. Four companies (Chesapeake Utilities, Glaxo SmithKline, Oracle and PepsiCo) announced deals yesterday valued at a combined $15.25 billion.

Wednesday, April 22, 2009

States are looking for ways to cut spending in an effort to combat declining tax revenues. Total state tax revenues are down 7% from this point last year, according to *Kiplinger*. Corporate tax revenues are down 10%, while sales tax and personal income tax receipts are off 6% and 1%, respectively. Many states will be drafting their 2010 fiscal budgets over the next two months. The average public pension plan's liabilities currently exceed assets by 35%. Public universities are expected to hike 2009-2010 tuition rates 5% to 6%, on average, due to budget cuts.

Thursday, April 23, 2009

The Reuters/Jefferies CRB Index peaked at a reading of 473.52 on July 2, 2008. Since then, commodity prices have plunged and the index is off 53.7% through yesterday's close, which is good news for consumers. The average American is saving $4.16 per day due to lower commodity prices, according to Bespoke Investment Group. That amounts to $1,518 in annual savings per individual.

Friday, April 24, 2009

IMS Health just provided a downward revision to its global pharmaceutical sales forecast for 2009 due to global economic weakness and currency fluctuations. It now expects sales to be $750-760 billion, down from the original estimate of $820 billion. Sales totaled $773 billion in 2008. If this forecast proves correct it would be the first time in 25 years that sales (measured in dollars) failed to grow on a year-over-year basis. A report released in March from the Deloitte Center for Health Solutions said that 25% of consumers have delayed medical care because of the bad economy, according to *Forbes*. IMS Health expects the compound annual growth rate for pharmaceuticals to be 3-6% through 2013.