First Trust

Market Watch

Week of May 3rd

Stock Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
Dow Jones Industrial Avg. (11,009)	-1.71%	6.42%	38.69%	22.68%	4.24%
S&P 500 (1,187)	-2.49%	7.05%	38.85%	26.47%	2.63%
NASDAQ 100 (2,001)	-2.66%	7.76%	44.45%	54.63%	7.65%
S&P 500 Growth	-2.55%	5.03%	35.98%	31.58%	3.29%
S&P 500 Value	-2.42%	9.11%	41.91%	21.17%	1.87%
S&P MidCap 400 Growth	-3.20%	13.59%	48.21%	41.23%	7.35%
S&P MidCap 400 Value	-3.06%	13.91%	49.83%	33.77%	6.49%
S&P SmallCap 600 Growth	-3.30%	12.70%	45.75%	28.34%	5.99%
S&P SmallCap 600 Value	-3.50%	17.27%	49.83%	22.86%	5.82%
MSCI EAFE	-1.79%	-0.96%	34.43%	31.78%	3.86%
MSCI World (ex US)	-1.41%	0.69%	40.38%	41.45%	6.47%
MSCI World	-2.13%	3.25%	37.02%	29.99%	3.35%
MSCI Emerging Markets	-0.33%	3.65%	57.13%	78.51%	16.54%

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 04/30/10.

S&P Sector Performance

Index	Week	YTD	12-mo.	2009	5-yr
Consumer Discretionary	-2.62%	17.21%	51.91%	41.33%	3.78%
Consumer Staples	-1.32%	4.36%	29.77%	14.89%	6.64%
Energy	-2.91%	5.10%	29.07%	13.86%	8.94%
Financials	-3.82%	12.66%	51.59%	17.24%	-8.19%
Health Care	-1.48%	-0.56%	30.34%	19.70%	1.89%
Industrials	-1.65%	17.76%	52.71%	20.93%	3.09%
Information Technology	-3.21%	3.73%	43.49%	61.72%	6.41%
Materials	-2.94%	3.36%	36.11%	48.57%	6.11%
Telecom Services	-0.88%	-4.43%	8.24%	8.93%	2.40%
Utilities	-0.60%	-1.00%	23.42%	11.91%	4.08%

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 04/30/10.

Bond Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
U.S. Treasury: Intermediate	0.71%	1.93%	1.92%	-1.41%	4.97%
GNMA 30 Year	0.34%	2.61%	5.61%	5.37%	5.93%
U.S. Aggregate	0.65%	2.84%	8.30%	5.93%	5.38%
U.S. Corporate High Yield	0.27%	7.07%	42.58%	58.21%	8.49%
U.S. Corporate Investment Grade	0.88%	4.16%	21.82%	18.68%	5.41%
Municipal Bond: Long Bond (22+)	0.62%	4.02%	15.47%	23.43%	3.98%
Global Aggregate	0.24%	-0.26%	9.26%	6.93%	4.67%

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 04/30/10.

Key Rates

As of 04/30

Fed Funds	0.00-0.25%	5-yr CD	2.88%
LIBOR (1-month)	0.27%	2-yr T-Note	0.96%
CPI - Headline	2.30%	5-yr T-Note	2.42%
CPI - Core	1.10%	10-yr T-Note	3.65%
Money Market Accts.	0.78%	30-yr T-Bond	4.52%
Money Market Funds	0.03%	30-yr Mortgage	5.13%
6-mo CD	0.91%	Prime Rate	3.25%
1-yr CD	1.38%	Bond Buyer 40	5.11%

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

Market Indicators

As of 04/30

TED Spread	18 bps
Investment Grade Spread (A2)	165 bps
ML High Yield Master II Index Spread	561 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 04/21/10

Estimated Flows to Long-Term Mutual Funds

	Current Week		Previous	
Domestic Equity	$2.864	Billion	$466	Million
Foreign Equity	$1.893	Billion	$1.678	Billion
Taxable Bond	$5.945	Billion	$6.082	Billion
Municipal Bond	$710	Million	-$251	Million

Change in Money Market Fund Assets

	Current Week		Previous	
Retail	-$10.59	Billion	-$8.63	Billion
Institutional	$4.74	Billion	-$26.76	Billion

Source: Investment Company Institute

Factoids for the week of April 26th – April 30th

Monday, April 26, 2010

Despite the fact that the economy is in the midst of a better-than-expected recovery the banking system is still struggling to find its footing. A total of 57 U.S. banks have failed so far this year, according to the Federal Deposit Insurance Corporation (FDIC). There were 140 bank failures in 2009, the highest total since 1992 (S&L crisis). The number of U.S. banks on the FDIC's "problem" list rose from 552 in Q3'09 to 702 in Q4'09. The FDIC expects the cost of resolving failed banks to approach $100 billion over the next four years, according to *USA TODAY*. It also expects the number of bank failures to peak in 2010.

Tuesday, April 27, 2010

The constituents in the S&P 500 could earn $85.96 over the next 12 months, according to data from equity analysts compiled by Bloomberg. That is dramatically higher than the $49.51 earned in 2008 and approaches the $89.93 earned in the 12-month period ended September 2007, when the S&P 500 was 19% higher than today. Standard & Poor's estimates the index will earn $93.70 in 2011.

Wednesday, April 28, 2010

The downgrading of Greece's sovereign debt to junk status yesterday prompted some profit taking in U.S equities. While the notion of a bailout package for Greece is proving just as unpopular throughout Europe as the bank bailout was in the U.S., a 45 billion-euro ($59 billion) rescue proposition is being considered but has yet to win the support of Germany, according to Bloomberg. The broader concern is the impact to the euro. It was originally launched at $1.18 at the start of 1999. It traded at an all-time high of $1.60 on July 15, 2008, but has since declined to around $1.32. Mark Hulbert at MarketWatch.com reported there have been four major sovereign debt crises over the past two decades. Hulbert found that, on average, the Wilshire 5000 Total Market Index was 17% higher one-year after the stories broke.

Thursday, April 29, 2010

The S&P 500 is up about 78% since it bottomed on March 9, 2009. Lowry Research notes that this rally is the largest and fastest since 1960, according to MSNMoney.com. The second best was in 1982, which produced a 62% gain over 14 months. Despite the eye-popping returns, retail investors have pulled $82 billion from U.S. equity funds since March 2009, while funneling $93 billion into bond funds. Dating back to January 2007, U.S. equity funds have lost $83 billion, while U.S. bond funds have gained $425 billion, according to Brad Durham of EPFR Global. A Gallup poll conducted in early April found that just 22% of Americans believe that stocks are the best long-term investment. That is up from a low of 15% in 2009, but down from a peak of 31% in 2007.

Friday, April 30, 2010

Worldwide PC shipments were up 24.2% (y-o-y) in Q1'10, according to International Data Corporation (IDC) Worldwide Quarterly PC Tracker. Shipments totaled 79.13 million units, up from 63.74 million in Q1'09. Both desktop and Portable PC shipments exceeded expectations. Demand was strong in the consumer sector as well as commercial. Hewlett-Packard held its top spot with a 19.7% share of the market. Acer Group was second with a 13.6% share.