First Trust

Market Watch

Week of November 21st

Stock Index Performance

Index	Week	YTD	12-mo.	2010	5-yr.
Dow Jones Industrial Avg. (11,796)	-2.85%	4.31%	8.28%	14.06%	1.83%
S&P 500 (1,216)	-3.75%	-1.55%	3.69%	15.06%	-0.69%
NASDAQ 100 (2,254)	-4.20%	2.50%	6.62%	20.15%	5.32%
S&P 500 Growth	-3.51%	1.80%	6.29%	15.09%	1.91%
S&P 500 Value	-4.02%	-5.02%	1.02%	15.13%	-3.37%
S&P MidCap 400 Growth	-3.70%	-2.02%	5.17%	30.65%	4.93%
S&P MidCap 400 Value	-3.18%	-5.82%	0.94%	22.80%	0.85%
S&P SmallCap 600 Growth	-3.14%	0.22%	8.60%	28.43%	3.18%
S&P SmallCap 600 Value	-2.75%	-5.75%	3.25%	25.01%	-0.54%
MSCI EAFE	-4.06%	-13.02%	-11.32%	7.75%	-3.92%
MSCI World (ex US)	-4.02%	-14.02%	-11.63%	11.15%	-1.94%
MSCI World	-3.92%	-7.71%	-4.14%	11.76%	-2.20%
MSCI Emerging Markets	-3.78%	-16.94%	-13.82%	18.88%	4.41%

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 11/18/11.

S&P Sector Performance

Index	Week	YTD	12-mo.	2010	5-yr.
Consumer Discretionary	-3.99%	2.38%	7.06%	27.85%	1.56%
Consumer Staples	-1.15%	8.06%	10.96%	14.12%	6.81%
Energy	-5.26%	1.67%	9.87%	20.46%	4.84%
Financials	-5.49%	-20.69%	-14.58%	12.18%	-17.13%
Health Care	-3.53%	6.11%	8.44%	2.90%	1.84%
Industrials	-2.90%	-4.37%	2.98%	26.74%	-0.24%
Information Technology	-3.61%	1.75%	5.71%	10.22%	3.27%
Materials	-5.52%	-11.22%	-1.76%	22.34%	2.22%
Telecom Services	-2.92%	0.01%	5.86%	18.97%	1.20%
Utilities	-2.11%	14.07%	15.81%	5.46%	3.24%

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 11/18/11.

Bond Index Performance

Index	Week	YTD	12-mo.	2010	5-yr.
U.S. Treasury: Intermediate	-0.03%	5.98%	4.69%	5.29%	5.96%
GNMA 30 Year	0.14%	7.03%	6.38%	6.71%	6.85%
U.S. Aggregate	0.01%	6.91%	6.04%	6.54%	6.35%
U.S. Corporate High Yield	-0.69%	2.78%	3.61%	15.12%	7.38%
U.S. Corporate Investment Grade	-0.44%	6.94%	6.39%	9.00%	6.59%
Municipal Bond: Long Bond (22+)	-0.04%	12.37%	10.93%	1.12%	3.81%
Global Aggregate	-0.30%	5.67%	5.43%	5.55%	6.64%

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 11/18/11.

Key Rates

As of 11/18/11

Fed Funds	0.00-0.25%	5-yr CD	1.51%
LIBOR (1-month)	0.25%	2-yr T-Note	0.27%
CPI - Headline	3.50%	5-yr T-Note	0.91%
CPI - Core	2.10%	10-yr T-Note	2.00%
Money Market Accts.	0.49%	30-yr T-Bond	2.99%
Money Market Funds	0.02%	30-yr Mortgage	4.03%
6-mo CD	0.46%	Prime Rate	3.25%
1-yr CD	0.73%	Bond Buyer 40	5.02%

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

Market Indicators

As of 11/18/11

TED Spread	49 bps
Investment Grade Spread (A2)	264 bps
ML High Yield Master II Index Spread	762 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 11/9/11

	Current Week		Previous	
Domestic Equity	-$3.695	Billion	-$3.375	Billion
Foreign Equity	-$948	Million	$95	Million
Taxable Bond	$3.204	Billion	$2.420	Billion
Municipal Bond	$1.010	Billion	$647	Million

Change in Money Market Fund Assets for the Week Ended 11/16/11

	Current Week		Previous	
Retail	-$1.30	Billion	-$2.35	Billion
Institutional	$7.70	Billion	$18.81	Billion

Source: Investment Company Institute

Factoids for the week of November 14th – 18th

Monday, November 14, 2011

The number of bank failures in 2011 climbed to 88 this past Friday, according to *Bloomberg Businessweek*. There were 146 closures at this point last year. Regulators seized a total of 157 banks in 2010. From 2008 through 2010, bank failures cost the Federal Deposit Insurance Corporation (FDIC) around $76.8 billion. The FDIC expects failures from 2011 through 2015 to cost $19 billion.

Tuesday, November 15, 2011

While 41% of participants in a recent survey by Yahoo! Finance said that the “American Dream” has been lost, 53% of those polled between the ages of 18 and 34 still view America as the land of opportunity. The survey polled 1,500 Americans between the ages of 18 to 64. The poll found that 37% of those surveyed have no retirement savings at all and 38% plan to live off Social Security. Only 45% of parents think their kids will be better off than they are. Sixty-three percent of those polled think the economy is getting worse.

Wednesday, November 16, 2011

A study by Stanford University, scheduled to be released today, found that the percentage of American families living in middle-income neighborhoods has declined significantly since 1970, according to *The New York Times*. It used 2007 census data (most recent) to focus on family income at the neighborhood level in the 117 largest metropolitan areas. As of 2007, 44% of families lived in neighborhoods defined by the study as middle-income, down from 65% in 1970. About 14% of families lived in affluent neighborhoods in 2007, up from 7% in 1970.

Thursday, November 17, 2011

A survey of 100 economists and real estate professionals by MacroMarkets found that home values are expected to rise 0.25% in 2012 as the U.S. works down its inventory, according to CNNMoney.com. It is forecasting annualized price gains of 1.1% through 2015. Core-Logic estimates there are 5.4 million homes for sale, including bank –owned properties, homes in the foreclosure pipeline that haven’t hit the market yet and properties where owners are delinquent. Freddie Mac estimates that 4.8 million homes will be sold in 2012. With respect to new construction, builders expect houses to average 2,152 square feet in 2015, down from 2,600 during the boom years.

Friday, November 18, 2011

Reid Steadman, global head of ETF licensing at S&P Indices, expects assets in commodity-backed ETFs in the Asia-Pacific region to grow from $3.5 billion today to $10 billion in the next five to seven years, according to *Bloomberg Businessweek*. Total assets in ETFs linked to commodities rose to $178.2 billion in Q3’11, according to ETF Securities LLC. Currently, commodities account for just 3.6% of ETF assets in Asia, compared with 19.0% in Europe and 10.4% in the U.S., according to data from Deutsche Bank.