First Trust Market Watch

Week of November 17th

Stock Index Performance

Index	Week	YTD	12-mo.	2013	5-yr.
Dow Jones Industrial Avg. (17,635)	0.44%	8.58%	13.67%	29.65%	14.34%
S&P 500 (2,040)	0.44%	12.34%	16.26%	32.38%	15.67%
NASDAQ 100 (4,225)	1.57%	18.95%	25.33%	36.94%	20.19%
S&P 500 Growth	0.70%	13.94%	18.47%	32.75%	16.34%
S&P 500 Value	0.15%	10.59%	13.86%	31.97%	15.00%
S&P MidCap 400 Growth	0.49%	6.27%	9.88%	32.68%	17.14%
S&P MidCap 400 Value	-0.29%	9.56%	12.17%	34.25%	17.03%
S&P SmallCap 600 Growth	0.09%	1.41%	5.68%	42.68%	18.68%
S&P SmallCap 600 Value	0.09%	4.78%	9.53%	39.98%	18.00%
MSCI EAFE	0.87%	-2.95%	-0.04%	22.78%	5.70%
MSCI World (ex US)	0.80%	-1.54%	0.87%	15.29%	5.06%
MSCI World	0.64%	5.23%	8.56%	26.68%	10.49%
MSCI Emerging Markets	0.34%	1.09%	2.33%	-2.60%	3.05%

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 11/14/14.

S&P Sector Performance

Index	Week	YTD	12-mo.	2013	5-yr.
Consumer Discretionary	1.84%	4.78%	8.67%	43.08%	21.04%
Consumer Staples	0.15%	13.63%	13.50%	26.14%	15.59%
Energy	-1.83%	-1.17%	1.23%	25.05%	10.03%
Financials	-0.36%	11.62%	16.53%	35.59%	12.27%
Health Care	0.30%	22.74%	26.54%	41.46%	20.08%
Industrials	0.34%	8.81%	14.48%	40.64%	17.68%
Information Technology	1.83%	19.11%	26.06%	28.43%	15.61%
Materials	1.32%	8.04%	12.46%	25.60%	12.20%
Telecom Services	2.26%	11.06%	9.99%	11.47%	14.96%
Utilities	-2.83%	21.67%	19.35%	13.21%	13.56%

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 11/14/14.

Bond Index Performance

Index	Week	YTD	12-mo.	2013	5-yr.
U.S. Treasury: Intermediate	0.01%	2.43%	1.65%	-1.34%	2.68%
GNMA 30 Year	0.02%	5.41%	4.57%	-2.17%	3.81%
U.S. Aggregate	-0.01%	5.19%	4.65%	-2.02%	4.17%
U.S. Corporate High Yield	-0.28%	4.28%	5.65%	7.44%	10.19%
U.S. Corporate Investment Grade	-0.14%	6.53%	6.89%	-1.53%	6.40%
Municipal Bond: Long Bond (22+)	0.09%	13.62%	13.27%	-6.01%	7.00%
Global Aggregate	0.01%	0.92%	0.41%	-2.60%	2.28%

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 11/14/14.

Key Rates

As of 11/14/14

Fed Funds	0.00-0.25%	5-yr CD	1.53%
LIBOR (1-month)	0.15%	2-yr T-Note	0.51%
CPI - Headline	1.70%	5-yr T-Note	1.61%
CPI - Core	1.70%	10-yr T-Note	2.32%
Money Market Accts.	0.48%	30-yr T-Bond	3.05%
Money Market Funds	0.01%	30-yr Mortgage	4.16%
6-mo CD	0.40%	Prime Rate	3.25%
1-yr CD	0.69%	Bond Buyer 40	4.39%

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

Market Indicators

As of 11/14/14

TED Spread	22 bps
Investment Grade Spread (A2)	151 bps
ML High Yield Master II Index Spread	443 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 11/5/14

	Current Week		Previous	
Domestic Equity	-$1.728	Billion	$1.120	Billion
Foreign Equity	$1.426	Billion	$1.224	Billion
Taxable Bond	$5.050	Billion	-$295	Million
Municipal Bond	$399	Million	$229	Million

Change in Money Market Fund Assets for the Week Ended 11/12/14

	Current Week		Previous	
Retail	-$3.31	Billion	$0.92	Billion
Institutional	$12.37	Billion	$5.01	Billion

Source: Investment Company Institute.

Factoids for the week of November 10 - 14, 2014

Monday, November 10, 2014

Rising food costs are offsetting savings at the pump, according to Reuters. Food accounts for three times more of household budgets than gasoline, according to Craig Johnson at Customer Growth Partners. Johnson estimates that higher food prices could cost U.S. consumers an additional $10 billion in November and December compared to a year ago, double the $5 billion in savings expected from cheaper gasoline. Chris Christopher, economist at IHS, estimates that consumers saved about $1.6 billion from lower gas prices in October compared to a year ago, but paid $3.3 billion more on food.

Tuesday, November 11, 2014

The number of homeowners taking cash out of their home equity is on the rise. Data from Freddie Mac shows that borrowers extracted an estimated $8 billion in home equity through cash-out refinancing of conventional mortgages in Q3'14, up from $5.6 billion in Q2'14 and $6.1 billion in Q3'13, according to MarketWatch.com. The $8 billion in cash-out volume, however, is nowhere near the $84 billion peak reached in Q2'06 (end of housing boom).

Wednesday, November 12, 2014

In the current earnings reporting season, more than 2,000 companies have released results, according to Bespoke Investment Group. Since the mid-2000s, Bespoke has analyzed earnings reports to identify what it refers to as "triple plays." These are companies that beat their earnings estimates, beat their revenue estimates and also raised guidance. To date, there have been 136 triple plays, which Bespoke noted is a very high number compared to most earnings seasons. It also tracks inverse triple plays, which are companies that miss earnings and revenue estimates and also lower guidance. There have been 58 this reporting season, so triple plays have outpaced inverse triple plays by more than two to one.

Thursday, November 13, 2014

Moody's reported that the global speculative-grade default rate stood at 2.3% in October, up from 2.2% (revised up from 2.1%) in September, according to its own release. The rate was 3.1% a year ago. Moody's is forecasting a default rate of 2.3% for December 2014 and 2.4% by October 2015. The historical average for the default rate on speculative-grade debt has been approximately 4.7% since 1983. The U.S. speculative-grade default rate stood at 1.9% in October, up from 1.7% in September. The rate was 2.7% a year ago. The default rate on senior loans stood at 0.64% in October, no change from September, according to Standard & Poor's LCD. The historical average is 2.90%.

Friday, November 14, 2014

A report from human resources company Aon Hewitt revealed that U.S. workers will be paying considerably more for health insurance premiums and out-of-pocket medical bills in 2015 than they did five or six years ago, according to CNNMoney. In 2015, the average worker with employer-sponsored health insurance will pony up approximately $2,664, or 23.6% of the total premium payment. In 2010, the average worker paid $1,835, or 22.3% of the total premium payment. Employees are expected to pay an average of $2,487 in out-of-pocket costs, such as copayments, coinsurance and deductibles in 2015, nearly double the $1,276 employees paid in 2009. Overall, average health care costs are projected to rise 5.5% from $10,717 per employee in 2014 to $11,304 in 2015.