

Stock Index Performance

Index	Week	YTD	12-mo.	2016	5-yr.
Dow Jones Industrial Avg. (23,422)	-0.35%	20.99%	27.60%	16.50%	15.65%
S&P 500 (2,582)	-0.14%	17.33%	21.56%	11.95%	15.74%
NASDAQ 100 (6,309)	0.29%	30.98%	34.45%	7.27%	21.06%
S&P 500 Growth	0.16%	24.25%	27.05%	6.89%	17.07%
S&P 500 Value	-0.53%	9.49%	14.96%	17.39%	14.06%
S&P MidCap 400 Growth	-0.56%	15.41%	23.36%	14.76%	15.10%
S&P MidCap 400 Value	-0.49%	7.06%	15.77%	26.52%	15.07%
S&P SmallCap 600 Growth	-0.85%	9.32%	20.16%	22.07%	16.56%
S&P SmallCap 600 Value	-0.69%	6.05%	16.99%	31.21%	15.98%
MSCI EAFE	-0.40%	21.67%	24.72%	1.00%	8.82%
MSCI World (ex US)	-0.16%	23.74%	25.95%	4.50%	7.61%
MSCI World	-0.21%	18.48%	22.21%	7.51%	12.02%
MSCI Emerging Markets	0.22%	33.39%	31.79%	11.19%	5.09%
S&P GSCI	1.21%	2.46%	13.21%	11.37%	-12.48%

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 11/10/17. An index cannot be purchased directly by investors. Past performance is no guarantee of future results.

S&P Sector Performance

Index	Week	YTD	12-mo.	2016	5-yr.
Consumer Discretionary	0.76%	14.78%	18.57%	6.03%	17.16%
Consumer Staples	2.09%	7.42%	10.68%	5.38%	12.39%
Energy	1.34%	-5.03%	1.64%	27.36%	2.45%
Financials	-2.64%	13.58%	22.85%	22.75%	17.90%
Health Care	-0.48%	19.50%	15.57%	-2.69%	17.67%
Industrials	-1.00%	13.67%	16.89%	18.85%	16.33%
Information Technology	0.11%	38.82%	43.13%	13.85%	21.61%
Materials	-1.21%	18.48%	21.47%	16.69%	12.57%
Telecom Services	-1.35%	-14.49%	-2.00%	23.49%	4.90%
Utilities	0.54%	17.13%	24.31%	16.29%	14.04%

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 11/10/17. An index cannot be purchased directly by investors. Past performance is no guarantee of future results.

Bond Index Performance

Index	Week	YTD	12-mo.	2016	5-yr.
U.S. Treasury: Intermediate	-0.16%	1.30%	0.32%	1.06%	0.93%
GNMA 30 Year	-0.29%	1.60%	0.75%	1.57%	1.71%
U.S. Aggregate	-0.40%	2.95%	2.01%	2.65%	1.95%
U.S. Corporate High Yield	-0.77%	6.62%	9.08%	17.13%	6.11%
U.S. Corporate Investment Grade	-0.72%	5.01%	4.52%	6.11%	3.16%
Municipal Bond: Long Bond (22+)	0.63%	7.38%	4.86%	0.88%	4.10%
Global Aggregate	0.07%	5.83%	2.56%	2.09%	0.46%

Source: Barclays. Returns are total returns. The 5-yr. return is an average annual. One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 11/10/17. An index cannot be purchased directly by investors. Past performance is no guarantee of future results.

Key Rates

As of 11/10/17

Fed Funds	1.00-1.25%	5-yr CD	2.17%
LIBOR (1-month)	1.24%	2-yr T-Note	1.65%
CPI - Headline	2.20%	5-yr T-Note	2.05%
CPI - Core	1.70%	10-yr T-Note	2.40%
Money Market Accts.	0.73%	30-yr T-Bond	2.88%
Money Market Funds	0.26%	30-yr Mortgage Refinance	3.78%
6-mo CD	1.03%	Prime Rate	4.25%
1-yr CD	1.58%	Bond Buyer 40	3.91%

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

Market Indicators

As of 11/10/17

TED Spread	19 bps
Investment Grade Spread (A2)	118 bps
ML High Yield Master II Index Spread	376 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 11/1/17

	Current Week	Previous
Domestic Equity	-\$5.670 Billion	-\$5.161 Billion
Foreign Equity	\$1.091 Billion	\$2.443 Billion
Taxable Bond	\$7.382 Billion	\$6.745 Billion
Municipal Bond	\$287 Million	\$663 Million

Change in Money Market Fund Assets for the Week Ended 11/8/17

	Current Week	Previous
Retail	\$0.92 Billion	\$0.64 Billion
Institutional	\$9.64 Billion	-\$18.54 Billion

Source: Investment Company Institute.

Factoids for the week of November 6, 2017

Monday, November 6, 2017

International Data Corporation's (IDC) Worldwide Semiannual Public Cloud Services Tracker reported that global spending on public cloud services grew 28.6% year-over-year to \$63.2 billion in the first half of 2017, according to its own release. Public cloud adoption is accelerating in large part as enterprises recognize that cloud has become the launchpad for virtually every new IT innovation in the last 24 months, including AI, blockchain, quantum computing and more, according to Frank Gens, senior vice president and chief analyst at IDC. The Asia/Pacific region increased spending by 38.9%, the most of any region.

Tuesday, November 7, 2017

Charles Schwab, which oversees \$3.1 trillion in retail investments, reported that the cash portion of client accounts stood at 11.1% at the end of September, according to *The New York Times*. While that is down from 13.0% a year ago, it is still a significant percentage and it suggests that investors are not pouring their entire savings into the stock market. Richard Bernstein, a former equity strategist at Merrill Lynch who now runs his own investment firm, notes that Wall Street experts on average are advising investors to allocate 55% of their portfolios to stocks, which is more conservative than the traditional recommendation that investors have up to 65% in stocks.

Wednesday, November 8, 2017

Wilshire Associates reported that U.S. stocks have posted paper profits of \$5.4 trillion since Donald Trump won the election on 11/8/16, according to *USA TODAY*. Stocks have fared much better in 2017 than expected. At the start of the year, 5.5% was the average price-only gain (not including dividends) projected for the S&P 500 Index by the top strategists at 19 Wall Street banks. So far this year the index has posted a price-only return of 15.71% and has registered 52 record highs.

Thursday, November 9, 2017

Moody's reported that its global speculative-grade default rate stood at 2.7% in October 2017, according to its own release. Moody's sees the rate falling to 1.7% by October 2018. Year-to-date through October, a total of 70 Moody's-rated issuers defaulted, down from 125 defaults over the same period a year ago. Moody's puts the historical average default rate at around 4.3% since 1983. The U.S. speculative-grade default rate stood at 3.2% in October. It sees the U.S. rate falling to 2.1% by October 2018. The default rate on senior loans stood at 1.41% in October, according to S&P Global Market Intelligence.

Friday, November 10, 2017

CoreLogic reported that U.S. home prices rose an average of 7% year-over-year in September, according to CNBC. As a result, 48% of the top 50 housing markets are now considered "overvalued," up from 46% in August. It sees home prices rising by 4.7% over the next 12 months. A market is considered overvalued when home prices are 10% higher than the long-term, sustainable level. Strong housing demand and low supply are driving home prices higher. For comparative purposes, CoreLogic's single-family rent index was up about 3% year-over-year in September.

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