

Stock Index Performance

Index	Week	YTD	12-mo.	2017	5-yr.
Dow Jones Industrial Avg. (22,445)	-6.87%	-7.13%	-7.36%	28.11%	9.32%
S&P 500 (2,417)	-7.03%	-7.88%	-8.22%	21.82%	8.04%
NASDAQ 100 (6,047)	-8.30%	-4.47%	-5.58%	32.99%	12.67%
S&P 500 Growth	-7.55%	-4.11%	-4.63%	27.43%	9.97%
S&P 500 Value	-6.41%	-11.82%	-12.00%	15.35%	5.75%
S&P MidCap 400 Growth	-7.00%	-13.22%	-13.51%	19.91%	5.94%
S&P MidCap 400 Value	-6.98%	-14.66%	-14.69%	12.30%	5.23%
S&P SmallCap 600 Growth	-8.11%	-8.42%	-8.93%	14.71%	6.70%
S&P SmallCap 600 Value	-7.46%	-16.15%	-16.63%	11.43%	4.53%
MSCI EAFE	-2.64%	-14.54%	-13.78%	25.03%	0.90%
MSCI World (ex US)	-2.56%	-15.06%	-13.96%	27.19%	0.96%
MSCI World	-5.52%	-11.13%	-10.98%	22.40%	4.44%
MSCI Emerging Markets	-1.46%	-15.49%	-13.56%	37.28%	1.73%
S&P GSCI	-6.30%	-12.50%	-9.47%	5.77%	-14.38%

Source: Bloomberg. Returns are total returns. 5-yr. return is an average annual. One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 12/21/18. 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.	2017	5-yr.
Communication Services	-7.50%	-15.84%	-16.04%	-1.25%	2.25%
Consumer Discretionary	-8.58%	-4.75%	-5.28%	22.98%	8.84%
Consumer Staples	-7.03%	-9.55%	-9.36%	13.49%	6.20%
Energy	-8.96%	-19.84%	-19.50%	-1.01%	-5.57%
Financials	-5.30%	-16.71%	-17.32%	22.14%	7.44%
Health Care	-6.69%	1.84%	1.14%	22.08%	10.36%
Industrials	-6.62%	-16.27%	-16.04%	21.01%	5.60%
Information Technology	-7.91%	-4.75%	-5.81%	38.83%	14.40%
Materials	-4.65%	-17.99%	-17.53%	23.84%	3.59%
Real Estate	-6.32%	-2.42%	-0.19%	10.85%	6.90%
Utilities	-4.49%	5.85%	6.41%	12.11%	11.19%

Source: Bloomberg. Returns are total returns. 5-yr. return is an average annual. One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 12/21/18. An index cannot be purchased directly by investors. Past performance is no guarantee of future results.

Bond Index Performance

Index	Week	YTD	12-mo.	2017	5-yr.
U.S. Treasury: Intermediate	0.39%	0.83%	1.06%	1.14%	1.31%
GNMA 30 Year	0.47%	0.47%	0.80%	1.87%	2.21%
U.S. Aggregate	0.45%	-0.45%	0.04%	3.54%	2.36%
U.S. Corporate High Yield	-2.37%	-2.34%	-2.12%	7.51%	3.82%
U.S. Corporate Investment Grade	0.13%	-2.73%	-2.06%	6.42%	3.14%
Municipal Bond: Long Bond (22+)	0.75%	0.12%	1.03%	8.19%	5.68%
Global Aggregate	0.91%	-1.74%	-0.95%	7.40%	0.96%

Source: Bloomberg Barclays. Returns are total returns. 5-yr. return is an average annual. One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 12/21/18. An index cannot be purchased directly by investors. Past performance is no guarantee of future results.

Key Rates

Fed Funds	2.25-2.50%	2-yr T-Note	2.64%
LIBOR (1-month)	2.47%	5-yr T-Note	2.64%
CPI - Headline	2.20%	10-yr T-Note	2.79%
CPI - Core	2.20%	30-yr T-Bond	3.03%
Money Market Accts.	1.38%	30-yr Mortgage Refinance	4.64%
1-yr CD	2.72%	Prime Rate	5.50%
3-yr CD	2.94%	Bond Buyer 40	4.09%
5-yr CD	3.05%		

Sources: Bankrate.com, Federal Reserve Bank NY, & US Bureau of Labor Statistics. All data as of 12/21/18.

Market Indicators

TED Spread	44 bps
Investment Grade Spread (A2)	175 bps
ML High Yield Master II Index Spread	523 bps

Source: Bloomberg as of 12/21/18.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds the Eight-Day Period Ended 12/12/18		
	Current Week	Previous
Domestic Equity	-\$10.651 Billion	-\$5.818 Billion
Foreign Equity	-\$10.028 Billion	-\$4.191 Billion
Taxable Bond	-\$14.091 Billion	-\$6.527 Billion
Municipal Bond	-\$482 Million	-\$1.057 Billion
Change in Money Market Fund Assets for the Week Ended 12/19/18		
	Current Week	Previous
Retail	\$16.09 Billion	\$11.47 Billion
Institutional	-\$10.49 Billion	\$82.03 Billion

Source: Investment Company Institute.

Factoids for the week of December 17, 2018

Monday, December 17, 2018

A recent study from Merrill Lynch found that 79% of parents in the U.S. provide financial support to their adult children, according to CBS News. The support ranges from everyday expenses to big-ticket items like college and weddings. Sixty-three percent of the parents that participated in the study admitted they have sacrificed their financial security for the sake of their children. Parents of adult children spend \$500 billion annually on them – twice the amount that they invest in their own retirement accounts.

Tuesday, December 18, 2018

Bullish sentiment among individual investors plunged last week, according to data from the American Association of Individual Investors (AAII). The AAII Bullish Sentiment Index stood at a reading of 20.90% on 12/13/18, down from 37.94% the previous week. It marked the first time in a year that less than 25% of those U.S. investors surveyed were bullish on stocks. Historically, when this index has dipped below the 25% level the S&P 500 Index has gone on to post average price-only gains of 1.68%, 4.51% and 11.08% over the following 3-, 6- and 12-month periods, according to Bespoke Investment Group.

Wednesday, December 19, 2018

S&P 500 Index stock buybacks totaled an all-time high of \$203.76 billion (preliminary) in Q3'18, up 6.9% from the \$190.62 billion executed in Q2'18 and up 57.7% from the \$129.17 billion spent on buybacks in Q3'17, according to S&P Dow Jones Indices. For the 12-month period ended September 2018, buybacks totaled a record \$720.4 billion, up 39.2% from the \$517.7 billion repurchased over the same period through September 2017. In Q3'18, Information Technology and Financials were the most active sectors by far accounting for 40.4% and 19.9%, respectively, of all buyback expenditures.

Thursday, December 20, 2018

The passage of the Tax Cuts and Jobs Act last December reduced the tax rate on repatriated foreign profits to 15.5% for cash holdings and 8% for more illiquid assets. Data from the Commerce Department indicates that U.S. corporations repatriated \$294.9 billion in Q1'18, \$183.7 billion in Q2'18 and \$92.7 billion in Q3'18, according to Bloomberg. The \$92.7 billion just reported for Q3'18 was up from \$55.1 billion in Q3'17 – before the tax law was passed. U.S. multinationals have offshore cash and equivalent holdings totaling an estimated \$2.5 trillion, according to the American Action Forum.

Friday, December 21, 2018

The S&P 500 Index closed yesterday's trading session at 2,467.42, 15.81% below its all-time high of 2,930.75 set on 9/20/18. While the overall index is in correction territory (price decline of 10.00% to 19.99% from recent high), more than 60% of the stocks in the index are down at least 20% (bear market territory) from their 52-week highs, according to Bespoke Investment Group. As of Thursday afternoon, only 72 stocks in the index were trading within 10% of their 52-week highs, while 82 stocks were down 40% or more.

The information presented is not intended to constitute an investment recommendation for, or advice to, any specific person. By providing this information, First Trust is not undertaking to give advice in any fiduciary capacity within the meaning of ERISA and the Internal Revenue Code. First Trust has no knowledge of and has not been provided any information regarding any investor. Financial advisors must determine whether particular investments are appropriate for their clients. First Trust believes the financial advisor is a fiduciary, is capable of evaluating investment risks independently and is responsible for exercising independent judgment with respect to its retirement plan clients.