

Stock Index Performance

| Index                              | Week   | YTD     | 12-mo.  | 2017   | 5-yr.   |
|------------------------------------|--------|---------|---------|--------|---------|
| Dow Jones Industrial Avg. (23,062) | 2.75%  | -4.58%  | -5.03%  | 28.11% | 9.57%   |
| S&P 500 (2,486)                    | 2.89%  | -5.21%  | -5.70%  | 21.82% | 8.37%   |
| NASDAQ 100 (6,285)                 | 3.96%  | -0.68%  | -1.38%  | 32.99% | 13.28%  |
| S&P 500 Growth                     | 3.30%  | -0.95%  | -1.51%  | 27.43% | 10.43%  |
| S&P 500 Value                      | 2.45%  | -9.66%  | -10.08% | 15.35% | 5.95%   |
| S&P MidCap 400 Growth              | 2.11%  | -11.38% | -11.90% | 19.91% | 6.12%   |
| S&P MidCap 400 Value               | 2.35%  | -12.65% | -13.10% | 12.30% | 5.42%   |
| S&P SmallCap 600 Growth            | 4.03%  | -4.73%  | -5.47%  | 14.71% | 7.32%   |
| S&P SmallCap 600 Value             | 3.66%  | -13.08% | -13.71% | 11.43% | 5.00%   |
| MSCI EAFE                          | 0.44%  | -14.17% | -13.85% | 25.03% | 0.52%   |
| MSCI World (ex US)                 | 0.59%  | -14.55% | -14.23% | 27.19% | 0.68%   |
| MSCI World                         | 2.00%  | -9.35%  | -9.50%  | 22.40% | 4.49%   |
| MSCI Emerging Markets              | 0.76%  | -14.85% | -14.49% | 37.28% | 1.69%   |
| S&P GSCI                           | -1.36% | -13.68% | -13.18% | 5.77%  | -14.71% |

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 12/28/18. 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 | 3.59%  | -12.81% | -13.61% | -1.25% | 2.50%  |
| Consumer Discretionary | 4.70%  | -0.27%  | -0.93%  | 22.98% | 9.61%  |
| Consumer Staples       | 0.87%  | -8.76%  | -8.80%  | 13.49% | 6.22%  |
| Energy                 | 1.71%  | -18.46% | -18.79% | -1.01% | -5.62% |
| Financials             | 3.37%  | -13.90% | -14.49% | 22.14% | 7.97%  |
| Health Care            | 3.11%  | 5.01%   | 4.25%   | 22.08% | 10.84% |
| Industrials            | 2.47%  | -14.20% | -14.45% | 21.01% | 5.80%  |
| Information Technology | 3.70%  | -1.23%  | -1.83%  | 38.83% | 14.83% |
| Materials              | 3.14%  | -15.42% | -15.66% | 23.84% | 3.73%  |
| Real Estate            | 0.02%  | -2.40%  | -2.38%  | 10.85% | 6.88%  |
| Utilities              | -1.84% | 3.91%   | 3.91%   | 12.11% | 10.80% |

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 12/28/18. 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     | 0.36%  | 1.19%  | 1.29%  | 1.14% | 1.43% |
| GNMA 30 Year                    | 0.28%  | 0.75%  | 0.91%  | 1.87% | 2.35% |
| U.S. Aggregate                  | 0.21%  | -0.23% | -0.10% | 3.54% | 2.49% |
| U.S. Corporate High Yield       | 0.10%  | -2.23% | -2.19% | 7.51% | 3.82% |
| U.S. Corporate Investment Grade | -0.02% | -2.75% | -2.61% | 6.42% | 3.25% |
| Municipal Bond: Long Bond (22+) | 0.18%  | 0.30%  | 0.35%  | 8.19% | 5.73% |
| Global Aggregate                | 0.35%  | -1.43% | -1.14% | 7.40% | 1.06% |

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 12/28/18. 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              | 2.52% |
| LIBOR (1-month)     | 2.51%      | 5-yr T-Note              | 2.56% |
| CPI - Headline      | 2.20%      | 10-yr T-Note             | 2.72% |
| CPI - Core          | 2.20%      | 30-yr T-Bond             | 3.02% |
| Money Market Accts. | 1.52%      | 30-yr Mortgage Refinance | 4.64% |
| 1-yr CD             | 2.73%      | Prime Rate               | 5.50% |
| 3-yr CD             | 2.94%      | Bond Buyer 40            | 4.09% |
| 5-yr CD             | 3.08%      |                          |       |

Sources: Bankrate.com, Federal Reserve Bank NY, & US Bureau of Labor Statistics. All data as of 12/28/18.

Market Indicators

|                                      |         |
|--------------------------------------|---------|
| TED Spread                           | 36 bps  |
| Investment Grade Spread (A2)         | 179 bps |
| ML High Yield Master II Index Spread | 530 bps |

Source: Bloomberg as of 12/28/18.

Weekly Fund Flows

Estimated Flows to Long-Term Mutual Funds for the Week Ended 12/19/18

|                 | Current Week      | Previous          |
|-----------------|-------------------|-------------------|
| Domestic Equity | -\$12.684 Billion | -\$10.651 Billion |
| Foreign Equity  | -\$14.360 Billion | -\$10.028 Billion |
| Taxable Bond    | -\$18.465 Billion | -\$14.091 Billion |
| Municipal Bond  | -\$1.136 Billion  | -\$482 Million    |

Change in Money Market Fund Assets for the Week Ended 12/26/18

|               | Current Week    | Previous         |
|---------------|-----------------|------------------|
| Retail        | \$28.01 Billion | \$16.09 Billion  |
| Institutional | \$2.27 Billion  | -\$10.49 Billion |

Source: Investment Company Institute.

Factoids for the week of December 24, 2018

Monday, December 24, 2018

Ookla, an internet speed-test company, reported that fixed broadband download speeds in the U.S. rose 35.8% year-over-year to 95.25 megabits per second (Mbps) in 2018, according to Recode. New Jersey had the highest average download speed at 122 Mbps, while Rhode Island had the slowest at 50 Mbps. Broadband is currently faster than mobile. The U.S. ranks seventh in the world in broadband download speeds and 43rd in mobile download speeds.

Tuesday, December 25, 2018

No Factoid, Holiday – Christmas Day.

Wednesday, December 26, 2018

Mastercard reported that, from 11/1/18 through 12/24/18, total U.S. retail sales, excluding automobiles, rose 5.1% from the same period last year, according to *The Wall Street Journal*. It marked the strongest holiday sales increase for U.S. retailers in six years. Overall, U.S. consumers spent over \$850 billion this holiday season. Online shopping was up 19.1% from the same period a year ago.

Thursday, December 27, 2018

Data from Tabb Group indicates that quantitative hedge funds that rely on computer models now account for 28.7% of trading in the stock market, according to *The Wall Street Journal*. That share has more than doubled since 2013. These funds trade more than retail investors, and everyone else. Add to that passive funds, index investors, high-frequency traders, market makers, and others who do not focus on company fundamentals and you get to around 85% of total trading volume, according to Marko Kolanovic of JP Morgan.

Friday, December 28, 2018

A new report from Fidelity Investments states that the number one concern Americans have heading into 2019 is encountering unexpected expenses, according to Fox Business. A recent survey from LendingTree revealed that only 48% of respondents said they could cover a \$1,000 emergency using either cash or bank account savings, according to Fox Business. Sixty percent of those polled admitted they had to cover an emergency costing at least \$1,000 within the past year. One-third of those people incurred debt to cover their expenses, and 18% of this group have emergency-related debt balances of at least \$10,000.

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