

Open-End Net Fund Flows (\$)	2/20	1/20	YTD (Feb)
Equity	-15.96B	-39.25B	-55.21B
Taxable Bond	3.88B	45.28B	49.16B
Municipal Bond	8.87B	11.88B	20.75B
Hybrid	-4.79B	-1.00B	-5.79B
Taxable Money Market	31.82B	-19.68B	12.14B

Key Interest Rates	3/31/20	12/31/19	3/29/19
Federal Funds Target Rate	0.25%	1.75%	2.50%
ICE LIBOR (3-Month)	1.45%	1.91%	2.60%
2-Year T-Note	0.25%	1.57%	2.26%
10-Year T-Note	0.67%	1.92%	2.41%
Bond Buyer 40	3.66%	3.63%	3.86%

Commodities/U.S. Dollar	3/20	YTD	12 Mo.
U.S. Dollar Index (DXY)	0.94%	2.76%	1.82%
TR/CC CRB Commodity Index	-23.62%	-34.45%	-33.72%
Crude Oil/WTI (per Barrel)	-54.24%	-66.46%	-65.95%
Natural Gas (per million BTUs)	-2.38%	-25.11%	-38.35%
Gold Bullion (Ounce)	1.07%	3.96%	22.46%

Total Return Performance

U.S. Stock Indices	3/20	YTD	12 Mo.
S&P 500	-12.35%	-19.60%	-6.99%
DJIA	-13.62%	-22.73%	-13.38%
NASDAQ 100	-7.57%	-10.29%	7.03%
S&P MidCap 400	-20.25%	-29.70%	-22.53%
Russell 2000	-21.73%	-30.62%	-24.01%
Russell 3000	-13.75%	-20.90%	-9.14%

U.S. Styles/Market Caps	3/20	YTD	12 Mo.
S&P 500 Growth	-9.96%	-14.51%	-2.48%
S&P 500 Value	-15.25%	-25.34%	-12.22%
S&P MidCap 400 Growth	-16.76%	-24.72%	-17.30%
S&P MidCap 400 Value	-24.23%	-35.09%	-28.27%
Russell 2000 Growth	-19.10%	-25.77%	-18.60%
Russell 2000 Value	-24.68%	-35.67%	-29.67%

Foreign Stock Indices (USD)	3/20	YTD	12 Mo.
MSCI World NET (Ex-U.S.)	-14.12%	-23.26%	-14.89%
MSCI Emerging Markets NET	-15.40%	-23.60%	-17.69%
MSCI Europe NET	-14.44%	-24.33%	-15.50%
MSCI BRIC NET	-14.37%	-20.93%	-14.81%
MSCI EM Latin America NET	-34.48%	-45.62%	-40.77%
Nikkei 225	-9.44%	-18.45%	-6.40%

Bloomberg Barclays Bond Ind.	3/20	YTD	12 Mo.
U.S. Treasury: Intermediate	2.08%	5.25%	9.02%
GNMA 30 Year	1.63%	3.05%	6.85%
Municipal Bond (22+)	-5.57%	-1.19%	4.91%
U.S. Aggregate	-0.59%	3.15%	8.93%
Intermediate Corporate	-5.48%	-3.15%	2.74%
U.S. Corporate High Yield	-11.46%	-12.68%	-6.94%
Global Aggregate	-2.24%	-0.33%	4.20%
EM Hard Currency Aggregate	-10.37%	-9.53%	-3.32%

Sources: Bloomberg, Bloomberg Barclays, Investment Company Institute

Past performance is no guarantee of future results. Historical performance figures for the indices are for illustrative purposes only and not indicative of any actual investment. Indices are unmanaged and an investor cannot invest directly in an index.

There are at least two significant headwinds for stocks at the present time: the extensive domestic and global economic fallout from the spread of COVID-19 and the precipitous decline of Energy, particularly with respect to crude oil. At some point in the near future, we might add stresses in the corporate debt market to the list. As of the close of trading on 3/31/20, the coronavirus (COVID-19) pandemic had tallied 754,948 confirmed cases and 36,571 deaths, according to the World Health Organization. In the U.S., the number of confirmed cases and deaths totaled 140,640 and 2,398, respectively. For those investors looking for any sign that COVID-19 is slowing its pace in the U.S., pay close attention to the numbers reported by New York Governor Andrew F. Cuomo in April. He believes the number of cases could peak in his state by the end of the month. If so, it could suggest that increased testing, social distancing and shelter-in-place are helping at least on the margin. Regardless of the results, however, the absolute number of confirmed cases and deaths are expected to trend higher in the weeks ahead. With respect to the crude oil market, there is simply too much global supply at a time when global demand is falling, in our opinion. The combination of the decline in economic activity stemming from COVID-19 and the destructive price war between Saudi Arabia and Russia, which is partially designed to harm U.S. shale producers, helped drive down the price of WTI crude oil 66.46% to \$20.48 per barrel in Q1'20, the worst quarterly showing on record for oil, according to Bloomberg. To keep things simple, the breakeven price for U.S. shale producers is between \$45 and \$50 per barrel, according to Zacks.

Stock Market

The S&P 500 Index ("index") closed at 2,584.59 on 3/31/20, 23.67% below its all-time closing high of 3,386.15 on 2/19/20, according to Bloomberg. The index is in bear market territory. A bear market entails a price decline of 20% or more from the most recent high. The S&P 500 Index posted a total return of -12.35% in March. All 11 major sectors that comprise the index were down on a total return basis. The top-performer was Health Care, down 3.82%, while the worst showing came from Energy, down 34.79%. The S&P 500 Index posted a total return of -19.60% in Q1'20. All 11 major sectors were down on a total return basis. The top-performer was Information Technology, down 11.93%, while the worst showing came from Energy, down 50.45%. While S&P 500 Index earnings have been adjusted lower for 2020 since the start of the year, 2021 projections are up. As of 12/30/19, Bloomberg's 2020 and 2021 consensus earnings estimates for the S&P 500 Index stood at 9.02% and 10.72%, respectively. As of 3/27/20, those same two estimates were -1.73% and 13.91%, respectively. The recent plunge in stock prices has boosted buying from corporate insiders. Washington Service, a leading provider of insider trading data, reported that more than 2,800 executives and directors bought nearly \$1.19 billion in company stock in the first 24 days of March, the third-highest level on both an individual and dollar basis since 1988 and more than five times the monthly average of about \$235 million, according to *The Wall Street Journal*. A Bloomberg survey of 19 equity strategists found that their average 2020 year-end price target for the S&P 500 Index was 3,039 as of 3/26/20, according to its own release. The highest estimate was 3,500 while the lowest estimate was 2,650.

Bond Market

The yield on the benchmark 10-year Treasury note (T-note) closed trading on 3/31/20 at 0.67%, down 48 basis points (bps) from its 1.15% close on 2/28/20, according to Bloomberg. The yield stood 163 bps below its 2.34% average for the 10-year period ended 3/31/20. In March, due to concerns over the negative impact that COVID-19 is likely to have on business activity (non-essential businesses closing) over the next few months, bond investors aggressively sold debt vulnerable to credit risk, including municipals (see Bloomberg Barclays Bond Indices table). Brian Wesbury, Chief Economist at First Trust Advisors L.P., believes the U.S. could experience a modest decline in real GDP of 1.5% (annualized) in Q1'20, followed by a massive decline of 20% (annualized) in Q2'20. The good news is that he sees the economy growing at a 3.0% and 3.5% annual pace in the third and fourth quarters of 2020, respectively. In other words, focus on the second half of 2020.

Takeaway

Excluding the current bear market, the S&P 500 Index has never failed to recoup all the losses sustained in any sell-off, pullback, correction or bear market. At this time, we believe that investors should focus on the potential for a second half rebound in the economy and the markets. Naturally, we will be monitoring the COVID-19 situation closely moving forward.

Data as of 3/31/20

Index	10-Yr. High Value	Date	10-Yr. Low Value	Date	Month-End Value	% Off High Value	YTD Return (USD)	Month-End Yield
S&P 500	3386.15	2/19/2020	1022.58	7/2/2010	2584.59	-23.67%	-19.60%	2.34%
S&P 500 Growth	2120.38	2/19/2020	528.55	7/2/2010	1664.05	-21.52%	-14.51%	1.48%
S&P 500 Value	1301.02	1/17/2020	486.55	7/2/2010	953.09	-26.74%	-25.34%	3.46%
S&P MidCap 400	2106.12	2/20/2020	700.16	7/6/2010	1443.40	-31.47%	-29.70%	2.49%
S&P MidCap 400 Growth	1004.45	2/20/2020	306.64	7/6/2010	725.00	-27.82%	-24.72%	1.45%
S&P MidCap 400 Value	692.20	1/16/2020	251.27	7/6/2010	440.77	-36.32%	-35.09%	3.80%
S&P 100	1518.94	2/19/2020	463.84	7/2/2010	1187.48	-21.82%	-17.24%	2.30%
DJIA	29551.42	2/12/2020	9686.48	7/2/2010	21917.16	-25.83%	-22.73%	2.91%
NASDAQ 100	9718.73	2/19/2020	1728.34	7/2/2010	7813.50	-19.60%	-10.29%	1.11%
Russell 2000	1740.75	8/31/2018	590.03	7/6/2010	1153.10	-33.76%	-30.62%	2.08%
Russell 2000 Growth	1142.13	2/19/2020	324.00	7/6/2010	805.57	-29.47%	-25.77%	0.98%
Russell 2000 Value	2049.42	8/22/2018	804.33	10/3/2011	1232.03	-39.88%	-35.67%	3.42%
Russell 3000	1984.26	2/19/2020	602.36	7/2/2010	1489.57	-24.93%	-20.90%	2.29%
MSCI World Net (ex U.S.) (USD)	6499.50	1/17/2020	3249.15	5/25/2010	4930.45	-24.14%	-23.26%	4.07%
MSCI Emerging Markets Net (USD)	573.23	1/26/2018	296.25	1/21/2016	403.06	-29.69%	-23.60%	3.26%
Ibovespa/Brazil (USD)	43619.40	4/8/2011	9077.09	1/21/2016	14046.59	-67.80%	-51.05%	4.83%
RTS/Russia (USD)	2123.56	4/8/2011	628.41	1/20/2016	1014.44	-52.23%	-34.30%	8.10%
S&P BSE 500/India (USD)	245.12	1/24/2018	95.89	9/3/2013	147.24	-39.93%	-32.73%	1.92%
Shanghai Composite/China (USD)	832.07	6/12/2015	314.68	12/3/2012	388.33	-53.33%	-11.34%	2.42%
KOSPI/South Korea (USD)	2.42	1/29/2018	1.16	3/19/2020	1.44	-40.58%	-24.17%	2.41%
Hang Seng (USD)	4241.01	1/26/2018	2087.46	10/4/2011	3045.06	-28.20%	-15.71%	3.95%
MSCI Euro (USD)	1544.35	1/26/2018	814.62	6/1/2012	1017.06	-34.14%	-26.98%	4.47%
S&P 500 Consumer Discretionary	1048.28	2/19/2020	228.84	7/6/2010	793.11	-24.34%	-19.29%	1.57%
S&P 500 Consumer Staples	665.35	2/14/2020	262.40	7/2/2010	560.33	-15.78%	-12.74%	3.13%
S&P 500 Energy	737.09	6/23/2014	179.94	3/18/2020	223.40	-69.69%	-50.45%	8.00%
S&P 500 Utilities	359.13	2/18/2020	141.65	6/1/2010	281.77	-21.54%	-13.50%	3.61%
S&P 500 Financials	516.21	1/2/2020	151.85	10/3/2011	346.02	-32.97%	-31.95%	3.02%
S&P 500 Banks	383.30	1/2/2020	105.73	8/22/2011	222.98	-41.83%	-40.88%	4.48%
FTSE NAREIT All Equity REITs	835.20	2/14/2020	342.95	7/6/2010	590.87	-29.25%	-23.44%	4.75%
S&P 500 Health Care	1219.65	1/22/2020	324.13	7/1/2010	1032.90	-15.31%	-12.67%	1.93%
S&P 500 Pharmaceuticals	768.14	1/21/2020	268.30	6/4/2010	662.80	-13.71%	-10.63%	2.88%
NYSE Arca Biotechnology	5400.34	9/27/2018	995.18	7/6/2010	4471.63	-17.20%	-11.69%	0.34%
S&P 500 Information Technology	1801.61	2/19/2020	328.07	7/2/2010	1414.36	-21.49%	-11.93%	1.58%
Philadelphia Semiconductor	1979.50	2/19/2020	307.49	8/31/2010	1510.60	-23.69%	-17.95%	1.96%
S&P 500 Telecom Services	192.97	2/19/2020	100.96	5/26/2010	150.35	-22.09%	-16.95%	1.53%
S&P 500 Industrials	718.21	2/12/2020	234.50	7/2/2010	499.12	-30.51%	-27.05%	2.69%
S&P 500 Materials	401.59	1/26/2018	170.73	7/2/2010	283.23	-29.47%	-26.13%	2.93%
Philadelphia Gold & Silver	228.95	4/8/2011	38.84	1/19/2016	78.95	-65.52%	-25.96%	1.22%
TR/CC CRB Commodity	370.56	4/29/2011	120.34	3/18/2020	121.79	-67.13%	-34.45%	N/A
ICE BofA Perpetual Preferred	293.45	2/17/2020	132.55	5/6/2010	263.72	-10.13%	-8.41%	5.67%
ICE BofA U.S. High Yield Constrained	472.87	2/20/2020	232.16	5/25/2010	405.69	-14.21%	-13.13%	9.30%

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