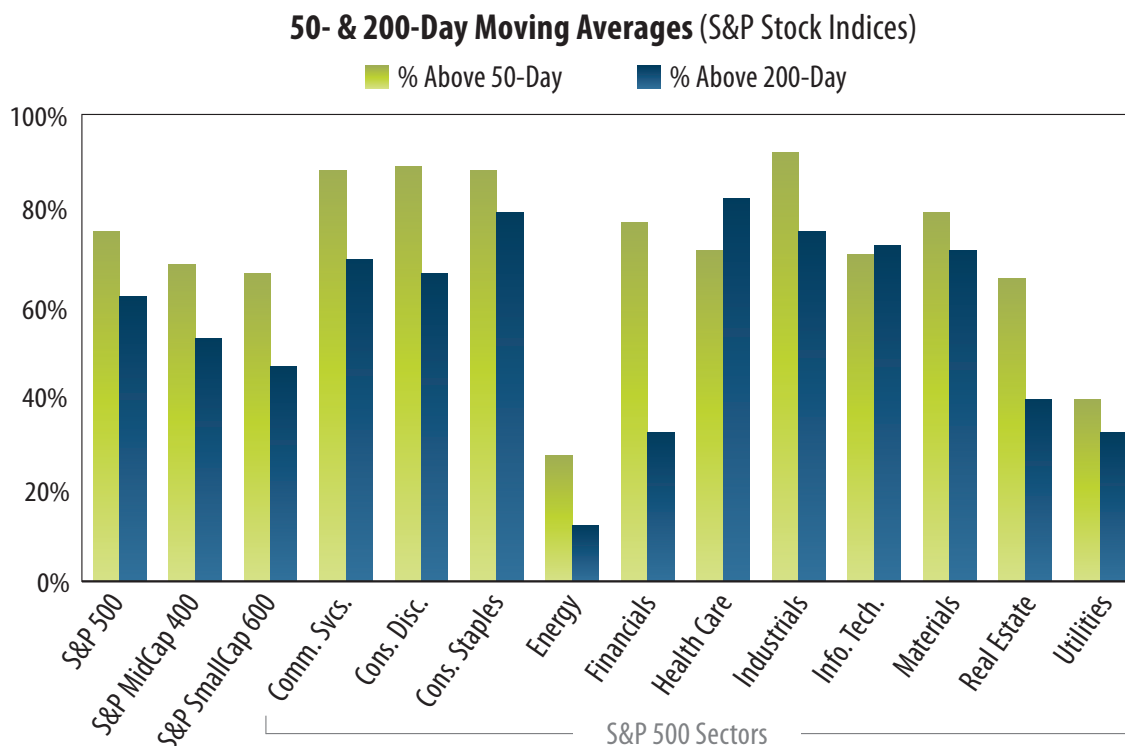


A Snapshot Of Moving Averages



Source: Bloomberg. As of the close on 8/31/20. **Past performance is no guarantee of future results.**

View from the Observation Deck

1. In today's post, we are showing the percentage of stocks in some major U.S. stock indices that are trading above their respective 50-day and 200-day moving averages.
2. Moving averages tend to smooth out day-to-day price fluctuations and can be a useful tool for traders and investors to identify both positive trends and reversals, in our opinion.
3. On 8/31/20, the S&P 500, S&P MidCap 400 and S&P SmallCap 600 Indices closed 0.22%, 8.53% and 18.17%, respectively, below their all-time highs, according to Bloomberg.
4. The percentage of stocks in the S&P 500, S&P MidCap 400 and S&P SmallCap 600 Indices trading above their 50-day moving averages on 8/31/20 were 75%, 68% and 66%, respectively.
5. The percentage of stocks in the S&P 500, S&P MidCap 400 and S&P SmallCap 600 Indices trading above their 200-day moving averages on 8/31/20 were 61%, 52% and 46%, respectively.
6. The percentage of stocks trading above their 50-day moving average by S&P 500 sector ranged from 27% (Energy) to 92% (Industrials).
7. The percentage of stocks trading above their 200-day moving average by S&P 500 sector ranged from 12% (Energy) to 82% (Health Care).
8. [Click here](#) to see where these figures stood on 5/5/20.

This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions and other expenses incurred when investing. Investors cannot invest directly in an index. The S&P 500 Index is an unmanaged index of 500 stocks used to measure large-cap U.S. stock market performance, while the 11 major S&P 500 Sector Indices (Real Estate was added as the 11th major sector in 2016 but data is not available for this chart) are capitalization-weighted and comprised of S&P 500 constituents representing a specific sector. The S&P MidCap 400 Index is a capitalization-weighted index that tracks the mid-range sector of the U.S. stock market. The S&P SmallCap 600 Index is a capitalization-weighted index that tracks U.S. stocks with a small market capitalization.

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, the Internal Revenue Code or any other regulatory framework. Financial professionals are responsible for evaluating investment risks independently and for exercising independent judgment in determining whether investments are appropriate for their clients.