

Open-End Net Fund Flows (\$)	10/23	9/23	YTD (Oct)
Equity	-43.8B	-33.9B	-376.8B
Taxable Bond	-24.0B	-9.2B	3.5B
Municipal Bond	-10.6B	-6.6B	-14.1B
Hybrid	-14.9B	-11.9B	-92.3B
Taxable Money Market	-34.7B	60.1B	755.3B

Key Interest Rates/Yields	11/30/23	10/31/23	11/30/22
Federal Funds Target Rate	5.50%	5.50%	4.00%
2-Year T-Note	4.68%	5.09%	4.31%
5-Year T-Note	4.27%	4.86%	3.74%
10-Year T-Note	4.33%	4.93%	3.61%
Bond Buyer 40	4.72%	5.54%	4.58%

Commodities/U.S. Dollar	11/23	YTD	12 Mo.
U.S. Dollar Index (DXY)	-2.97%	-0.02%	-2.32%
Refinitiv/CC CRB Excess Ret.	-2.67%	-1.48%	-2.19%
Crude Oil/WTI (per Barrel)	-6.25%	-5.36%	-5.70%
Natural Gas (per million BTUs)	-21.62%	-37.39%	-59.57%
Gold Bullion (Ounce)	2.20%	11.60%	16.73%

## Total Return Performance

U.S. Stock Indices	11/23	YTD	12 Mo.
S&P 500	9.13%	20.79%	13.81%
DJIA	9.15%	10.72%	6.19%
Nasdaq 100	10.82%	46.96%	33.73%
S&P MidCap 400	8.50%	7.06%	1.13%
Russell 2000	9.03%	4.14%	-2.62%
Russell 3000	9.32%	19.60%	12.58%

U.S. Styles/Market Caps	11/23	YTD	12 Mo.
S&P 500 Growth	8.77%	25.37%	15.81%
S&P 500 Value	9.57%	15.80%	11.25%
S&P MidCap 400 Growth	7.59%	9.35%	2.76%
S&P MidCap 400 Value	9.55%	4.69%	-0.60%
Russell 2000 Growth	9.09%	5.94%	-0.86%
Russell 2000 Value	8.97%	1.87%	-4.82%

Foreign Stock Indices (USD)	11/23	YTD	12 Mo.
MSCI World NET (Ex-U.S.)	9.40%	11.83%	11.29%
MSCI Emerging Markets NET	8.00%	5.70%	4.21%
MSCI Europe NET	9.87%	14.19%	14.20%
MSCI BRIC NET	5.05%	-0.09%	1.07%
MSCI EM Latin America NET	14.00%	22.55%	17.60%
Nikkei 225	10.93%	15.67%	15.00%

Bloomberg Fixed Income Ind.	11/23	YTD	12 Mo.
U.S. Treasury: Intermediate	2.20%	2.14%	1.89%
GNMA 30 Year	5.00%	1.16%	0.39%
Municipal Bond (22+)	10.07%	5.71%	5.41%
U.S. Aggregate	4.53%	1.64%	1.18%
Intermediate Corporate	3.72%	4.33%	4.25%
U.S. Corporate High Yield	4.53%	9.37%	8.69%
Global Aggregate	5.04%	1.50%	2.05%
EM Hard Currency Aggregate	5.42%	5.14%	6.27%

Sources: Bloomberg and 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.

## Climate

Despite numerous headwinds, the U.S. economy continues to surprise to the upside. Inflation, as measured by the 12-month change in the consumer price index (CPI), retreated to 3.2% at the end of October, down from 3.7% where it stood in September. In November the Bureau of Economic Analysis announced that U.S. real gross domestic product (GDP) grew by an estimated 5.2%, up from their initial estimate of 4.9%. The U.S. consumer continues to spend at a record pace. The National Retail Federation estimates that holiday retail sales (November - December) will set a new record, totaling between \$957.3 and \$966.6 billion. Right on cue, online sales during Black Friday came in at a record \$9.8 billion, up 7.5% from last year. In our view, headlines like these may lull investors into a false sense of security. Inflation remains elevated above the Federal Reserve's ("Fed") stated goal of 2.0%, and while the revision to Q3'23 GDP data is compelling, it masks a downward revision to personal consumption from initial estimates. Doubts regarding the health of the U.S. consumer linger. Bankruptcies are surging and personal savings rates are falling. In the U.S., non-business bankruptcy filings rose nearly 12.4% over the 12-month period ended September 2023, and the personal savings rate dropped to 3.8% in Q3'23, down from 5.2% in the previous quarter.

## Stock Market

The S&P 500 Index ("Index") closed November 2023 at 4,567.80, 4.77% below its all-time closing high of 4,796.56 on 1/3/22, according to Bloomberg. As of 11/30/23, the S&P MidCap 400 and S&P SmallCap 600 Indices stood 11.92% and 20.15%, respectively, below their record closing highs. In November 2023, the S&P 500 Index posted a total return of 9.13%. Ten of the eleven major sectors that comprise the index registered positive total returns for the month. The top-performer was Information Technology, up 12.87%, while the worst showing came from Energy which was down 1.00%. The S&P 500 Index posted a total return of 13.81% over the trailing 12-month period ended 11/30/23. Six of the eleven major sectors were up on a total return basis. The index's top performer was Information Technology, up 39.29%, while the worst showing came from Utilities which fell by 9.31%. November's gain ended a streak of three consecutive months of negative total returns for the Index. MarketWatch reported that on a price-return only basis, November was the 18th best-performing month in the Index over the past 73 years. In our view, the recent decline in the yield on the 10-year Treasury note (T-note) could be providing a basis for higher equity valuations.

## Bond Market

The yield on the benchmark 10-year T-note closed trading on 11/30/23 at 4.33%, down 60 basis points (bps) from its 4.93% close on 10/31/23, according to Bloomberg. The 4.33% yield stood 203 bps above its 2.30% average for the 10-year period ended 11/30/23. On a year-to-date basis, through 11/30/23, the yield on the 10-year T-note rose by 45 bps. The yield on the 2-year T-note stood 36 bps higher than the yield on the 10-year T-note at the end of November, up from 16 bps at the end of October. This marks 17 months in a row where the yield curve has remained inverted between these two benchmarks. The 2/10 yield curve was inverted for six to twenty-four months before all but one U.S. recession between 1955 and 2018. As revealed in the "Fixed Income" section to the left, each of the fixed income indices we track posted positive total returns in November, with long duration municipal bonds posting a total return of 10.07% for the month. Much of this movement is predicated on investor sentiment regarding the federal funds target rate, in our opinion. Inflation, as measured by the 12-month change in the CPI, stood at 3.2% at the end of October 2023, down from its most recent high of 9.1% in June 2022. In light of this, many pundits believe the stage is set for the Fed to cut rates over the next few quarters. As of 11/30/23, the federal funds rate futures market had priced in a 48.4% chance of a rate cut when the Federal Open Market Committee meets on 3/20/24.

## Takeaway

Record consumer spending and stronger than expected GDP data, combined with the slow, but steady decline in the growth rate of the CPI have some pundits questioning whether the Fed will need to hold rates higher for longer as previously announced. On 11/30/23, the federal funds rate futures market estimated there was a 48.4% chance that the Federal Open Market Committee would cut its policy rate at its meeting on 3/20/24. Fixed income investors appear to agree. The yield on the 10-year T-note plummeted by 60 bps in November, sending equity valuations higher. As revealed in the "Stock Indices" and "Fixed Income" tables to the left, each of the broader U.S. equity and fixed income markets we track surged during the month.

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	4796.56	1/3/2022	1741.89	2/3/2014	4567.80	-4.77%	20.79%	1.53%
S&P 500 Growth	3423.28	12/27/2021	939.68	2/3/2014	2924.07	-14.58%	25.37%	1.22%
S&P 500 Value	1644.72	7/31/2023	788.67	2/11/2016	1630.68	-0.85%	15.80%	1.91%
S&P MidCap 400	2910.70	11/16/2021	1218.55	3/23/2020	2563.62	-11.92%	7.06%	1.78%
S&P MidCap 400 Growth	1427.19	11/16/2021	570.39	2/3/2014	1199.15	-15.98%	9.35%	1.51%
S&P MidCap 400 Value	932.50	2/2/2023	373.28	3/23/2020	833.37	-10.63%	4.69%	2.09%
S&P 100	2219.44	1/3/2022	772.29	2/3/2014	2154.64	-2.92%	27.97%	1.44%
DJIA	36799.65	1/4/2022	15372.80	2/3/2014	35950.89	-2.31%	10.72%	2.03%
Nasdaq 100	16573.34	11/19/2021	3440.50	2/3/2014	15947.87	-3.77%	46.96%	0.82%
Russell 2000	2442.74	11/8/2021	953.72	2/11/2016	1809.02	-25.94%	4.14%	1.73%
Russell 2000 Growth	1709.62	2/9/2021	573.10	2/11/2016	1147.34	-32.89%	5.94%	0.75%
Russell 2000 Value	2643.45	11/8/2021	1067.63	3/23/2020	2079.60	-21.33%	1.87%	2.65%
Russell 3000	2804.93	1/3/2022	1046.22	2/3/2014	2612.87	-6.85%	19.60%	1.52%
MSCI World Net (ex U.S.) (USD)	7936.92	9/6/2021	4189.62	2/11/2016	7461.60	-5.99%	11.83%	3.28%
MSCI Emerging Markets Net (USD)	699.23	2/17/2021	296.25	1/21/2016	513.74	-26.53%	5.70%	2.88%
Ibovespa/Brazil (USD)	29488.46	1/2/2020	9077.09	1/21/2016	25800.60	-12.51%	22.67%	5.19%
RTS/Russia (USD)	1919.58	10/25/2021	628.41	1/20/2016	1115.01	-41.91%	20.54%	5.17%
S&P BSE 500/India (USD)	341.06	11/30/2023	118.07	2/3/2014	341.06	0.00%	16.16%	1.29%
Shanghai Composite/China (USD)	832.07	6/12/2015	320.10	3/20/2014	424.59	-48.97%	-2.64%	2.84%
KOSPI/South Korea (USD)	2.93	6/16/2021	1.16	3/19/2020	1.95	-33.56%	10.80%	2.02%
Hang Seng (USD)	4241.01	1/26/2018	1871.10	10/31/2022	2182.19	-48.55%	-10.70%	4.12%
MSCI Euro (USD)	1705.00	9/6/2021	865.50	3/18/2020	1561.56	-8.41%	20.27%	3.37%
S&P 500 Consumer Discretionary	1673.27	11/19/2021	485.19	2/3/2014	1336.91	-20.10%	34.12%	0.86%
S&P 500 Consumer Staples	841.99	4/20/2022	409.84	2/3/2014	744.26	-11.61%	-2.09%	2.71%
S&P 500 Energy	737.09	6/23/2014	179.94	3/18/2020	641.28	-13.00%	-1.34%	3.70%
S&P 500 Utilities	394.81	9/12/2022	189.09	12/13/2013	316.57	-19.82%	-8.83%	3.50%
S&P 500 Financials	688.85	1/12/2022	264.89	2/11/2016	595.09	-13.61%	6.40%	1.83%
S&P 500 Banks	461.87	1/12/2022	180.19	2/11/2016	316.36	-31.50%	-0.15%	3.45%
FTSE NAREIT All Equity REITs	980.08	12/31/2021	483.48	3/23/2020	702.39	-28.33%	2.23%	4.19%
S&P 500 Health Care	1664.59	4/8/2022	619.70	12/17/2013	1527.10	-8.26%	-2.15%	1.72%
S&P 500 Pharmaceuticals	1038.11	9/12/2023	477.26	12/12/2013	974.63	-6.11%	-1.29%	2.54%
NYSE Arca Biotechnology	6319.77	2/8/2021	2201.23	12/11/2013	4852.39	-23.22%	-7.92%	0.24%
S&P 500 Information Technology	3296.49	11/20/2023	556.38	12/13/2013	3273.08	-0.71%	52.02%	0.78%
Philadelphia Semiconductor	4039.51	12/27/2021	505.52	12/13/2013	3724.58	-7.80%	48.79%	1.22%
S&P 500 Communication Services	288.46	9/1/2021	130.86	12/24/2018	234.77	-18.61%	48.66%	0.78%
S&P 500 Industrials	936.97	8/1/2023	412.06	3/23/2020	902.92	-3.63%	10.39%	1.77%
S&P 500 Materials	569.63	12/31/2021	234.97	1/25/2016	517.20	-9.20%	7.64%	2.05%
Philadelphia Gold & Silver	167.76	4/14/2022	38.84	1/19/2016	123.35	-26.47%	3.95%	1.88%
Refinitiv/CC CRB Excess Return	329.59	6/9/2022	106.29	4/21/2020	273.64	-16.98%	-1.48%	N/A
ICE BofA Perpetual Preferred	319.67	9/22/2021	182.78	12/26/2013	289.27	-9.51%	6.52%	7.09%
ICE BofA U.S. High Yield Constrained	522.13	12/28/2021	313.74	2/11/2016	507.08	-2.88%	9.44%	8.56%

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