

Open-End Net Fund Flows (\$)	4/24	3/24	YTD (Apr)
Equity	-58.6B	-44.0B	-179.4B
Taxable Bond	9.0B	24.1B	94.2B
Municipal Bond	-0.9B	2.5B	10.7B
Hybrid	-13.1B	-8.3B	-38.6B
Taxable Money Market	-18.5B	-91.2B	-4.7B

Key Interest Rates/Yields	5/31/24	4/30/24	5/31/23
Federal Funds Target Rate	5.50%	5.50%	5.25%
2-Year T-Note	4.87%	5.04%	4.41%
5-Year T-Note	4.51%	4.72%	3.76%
10-Year T-Note	4.50%	4.68%	3.65%
Bond Buyer 40	4.53%	4.51%	4.53%

Commodities/U.S. Dollar	5/24	YTD	12 Mo.
U.S. Dollar Index (DXY)	-1.46%	3.29%	0.33%
FTSE/CC CRB Excess Ret.	-0.45%	9.98%	14.30%
Crude Oil/WTI (per Barrel)	-6.03%	7.45%	13.07%
Natural Gas (per million BTUs)	29.93%	2.90%	14.17%
Gold Bullion (Ounce)	0.87%	12.12%	18.28%

Total Return Performance

U.S. Stock Indices	5/24	YTD	12 Mo.
S&P 500	4.96%	11.30%	28.17%
DJIA	2.58%	3.52%	19.97%
Nasdaq 100	6.39%	10.54%	31.12%
S&P MidCap 400	4.38%	7.85%	25.94%
Russell 2000	5.01%	2.68%	20.08%
Russell 3000	4.72%	10.15%	27.57%

U.S. Styles/Market Caps	5/24	YTD	12 Mo.
S&P 500 Growth	6.60%	15.50%	31.76%
S&P 500 Value	2.97%	6.48%	24.01%
S&P MidCap 400 Growth	4.12%	13.14%	30.82%
S&P MidCap 400 Value	4.66%	2.37%	20.84%
Russell 2000 Growth	5.35%	4.61%	18.35%
Russell 2000 Value	4.68%	0.84%	21.72%

Foreign Stock Indices (USD)	5/24	YTD	12 Mo.
MSCI World NET (Ex-U.S.)	3.82%	6.72%	18.48%
MSCI Emerging Markets NET	0.56%	3.41%	12.39%
MSCI Europe NET	4.84%	8.24%	19.71%
MSCI BRIC NET	1.05%	4.97%	13.23%
MSCI EM Latin America NET	-3.14%	-10.24%	12.58%
Nikkei 225	0.39%	3.84%	12.84%

Bloomberg Fixed Income Ind.	5/24	YTD	12 Mo.
U.S. Treasury: Intermediate	1.12%	-0.63%	1.54%
GNMA 30 Year	1.77%	-2.02%	0.87%
Municipal Bond (22+)	0.46%	-1.98%	3.84%
U.S. Aggregate	1.70%	-1.64%	1.31%
Intermediate Corporate	1.41%	0.31%	4.99%
U.S. Corporate High Yield	1.10%	1.63%	11.24%
Global Aggregate	1.31%	-3.30%	0.77%
EM Hard Currency Aggregate	1.79%	1.45%	9.28%

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

Elevated prices and higher interest rates created significant headwinds to the pace of U.S. consumption and business investment in recent months. In May, data from the Federal Reserve revealed that U.S. real GDP growth in Q1'24 was revised lower to a consensus expected 1.3% annual rate, down from a prior estimate of 1.6%. The figure represents a sharp slowdown in the pace of GDP growth from when it stood at 3.4% in Q4'23, and is well below the 2.7% annual rate projected for 2024 in the U.S. by the International Monetary Fund (as of April 2024). American consumers appear to be struggling to manage the burden of larger debt balances and higher interest rates. Data from the Federal Reserve Bank of St. Louis revealed that the delinquency rate on credit cards issued by all U.S. commercial banks stood at 3.16% in Q1'24, up from 2.45% in Q1'23, and well-above the pre-COVID low of 2.11% in Q1'15. Additionally, consumers have found little reprieve from surging prices in 2024. Inflation, as measured by the trailing 12-month rate of change in the Consumer Price Index (CPI) stood at 3.4% on 4/30/24, unchanged from where it rested at the end of 2023.

Stock Market

The S&P 500 Index ("Index") stood at 5,277.51 on 5/31/24, down 0.82% from its all-time high of 5,321.41 set on 5/21/24, according to data from Bloomberg. The S&P MidCap 400 and S&P SmallCap 600 Indices stood -2.08% and -1.19%, respectively, below their all-time highs as of the same date. In May, the Index posted a total return of 4.96%, representing the best total return for the month since May 2009, when it increased by 5.59% on a total return basis. Ten of the 11 major sectors that comprise the Index registered positive total returns for the month. The top-performer was Information Technology, up 10.08%, while the worst showing came from Energy which was down 0.39%. The S&P 500 Index posted a total return of 28.17% over the trailing 12-month period ended 5/31/24. Each of the 11 major sectors were positive on a total return basis. The Index's top performer was Communication Services, up 41.80%, while the worst showing came from Real Estate which increased by 9.30%. Equity markets continue to benefit from strong earnings growth projections and developments in Artificial Intelligence (AI). As of 5/31/24, full-year earnings estimates for the Index were forecast to reach record levels of \$245.01 and \$278.71 in 2024 and 2025, respectively. Revenue is expected to remain strong as well, with growth rates of 4.60% and 5.66% projected in 2024 and 2025, respectively. That said, analysts' year-end price targets for the Index are muted. A Bloomberg survey of 21 analysts revealed that their average 2024 year-end price target for the Index was 5,095, representing a decline of 3.46% from where it stood at the end of May.

Bond Market

The yield on the benchmark 10-year Treasury note (T-note) stood at 4.50% at the close of trading on 5/31/24, representing a decline of 18 basis points (bps) from its 4.68% close on 4/30/24, according to data from Bloomberg. The 4.50% yield stood 212 bps above its 2.38% average for the 10-year period ended 5/31/24 and 49 bps below its most recent high of 4.99% set on 10/19/23. The yield on the 2-year T-note stood at 4.87% on 5/31/24, representing a decline of 17 bps from when it stood at 5.04% on 4/30/24. As of May, the yield curve between the 10-year and 2-year T-notes has been inverted for 23 consecutive months. Elevated financing costs continue to plague the commercial real estate sector. Bloomberg reported that in May, investors in AAA rated bonds backed by commercial real estate debt suffered their first default since the Great Financial Crisis. Moody's noted that 6.4% of office loans packaged into commercial mortgage backed securities were delinquent in April 2024, the highest level since June 2018.

Takeaway

Stubbornly high inflation coupled with increasing consumer debt and rising delinquencies may be a signal that the U.S. consumer is weakening. In May, the University of Michigan revealed that consumer sentiment fell by 10.5% month-over-month to a five-month low of 69.1. Additionally, elevated financing costs may pose a threat to the financial institutions that hold commercial real estate debt. That said, not all of the data is negative. The U.S. Census Bureau revealed that construction spending on manufacturing plants in the U.S. stood at of \$212 billion in April (annualized and seasonally adjusted), up from the previous record of \$196 billion set in the 2023 calendar year. Despite declining consumer sentiment, U.S. households control more wealth than ever before. Data from The Board of Governors of the Federal Reserve System revealed that U.S. household net worth stood at \$156.2 trillion at the end of 2023, up from \$117 trillion at the close of 2019 (pre-COVID).

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	5321.41	5/21/2024	1829.08	2/11/2016	5277.51	-0.82%	11.30%	1.36%
S&P 500 Growth	3553.95	5/28/2024	1009.73	10/16/2014	3490.28	-1.79%	15.50%	0.63%
S&P 500 Value	1845.71	3/28/2024	788.67	2/11/2016	1812.06	-1.82%	6.48%	2.28%
S&P MidCap 400	3046.36	3/28/2024	1218.55	3/23/2020	2982.86	-2.08%	7.85%	1.59%
S&P MidCap 400 Growth	1482.73	3/28/2024	572.55	10/13/2014	1449.28	-2.26%	13.14%	1.03%
S&P MidCap 400 Value	948.49	3/28/2024	373.28	3/23/2020	930.39	-1.91%	2.37%	2.19%
S&P 100	2543.27	5/28/2024	819.58	8/25/2015	2521.65	-0.85%	13.43%	1.28%
DJIA	40003.59	5/17/2024	15660.18	2/11/2016	38686.32	-3.29%	3.52%	1.88%
Nasdaq 100	18869.44	5/28/2024	3730.07	6/3/2014	18536.65	-1.76%	10.54%	0.83%
Russell 2000	2442.74	11/8/2021	953.72	2/11/2016	2070.13	-15.25%	2.68%	1.47%
Russell 2000 Growth	1709.62	2/9/2021	573.10	2/11/2016	1340.08	-21.62%	4.61%	0.63%
Russell 2000 Value	2643.45	11/8/2021	1067.63	3/23/2020	2332.87	-11.75%	0.84%	2.32%
Russell 3000	3040.97	5/21/2024	1067.34	2/11/2016	3009.72	-1.03%	10.15%	1.36%
MSCI World Net (ex U.S.) (USD)	8493.97	5/20/2024	4189.62	2/11/2016	8398.68	-1.12%	6.72%	3.02%
MSCI Emerging Markets Net (USD)	699.23	2/17/2021	296.25	1/21/2016	552.02	-21.05%	3.41%	2.77%
Ibovespa/Brazil (USD)	29488.46	1/2/2020	9077.09	1/21/2016	23295.38	-21.00%	-15.96%	6.96%
RTS/Russia (USD)	1919.58	10/25/2021	628.41	1/20/2016	1125.68	-41.36%	5.95%	12.42%
S&P BSE 500/India (USD)	408.71	5/27/2024	129.66	3/23/2020	399.58	-2.23%	8.73%	1.10%
Shanghai Composite/China (USD)	832.07	6/12/2015	323.87	6/4/2014	426.25	-48.77%	1.93%	2.74%
KOSPI/South Korea (USD)	2.93	6/16/2021	1.16	3/19/2020	1.90	-35.03%	-6.88%	2.11%
Hang Seng (USD)	4241.01	1/26/2018	1871.10	10/31/2022	2311.70	-45.49%	7.25%	4.13%
MSCI Euro (USD)	1789.52	5/15/2024	865.50	3/18/2020	1744.32	-2.53%	9.47%	3.17%
S&P 500 Consumer Discretionary	1673.27	11/19/2021	500.86	10/15/2014	1423.51	-14.93%	0.73%	0.76%
S&P 500 Consumer Staples	841.99	4/20/2022	443.51	7/31/2014	824.23	-2.11%	9.18%	2.78%
S&P 500 Energy	749.39	4/5/2024	179.94	3/18/2020	708.04	-5.52%	12.38%	3.19%
S&P 500 Utilities	394.81	9/12/2022	203.71	8/6/2014	367.47	-6.92%	15.82%	3.04%
S&P 500 Financials	704.84	5/17/2024	264.89	2/11/2016	691.28	-1.92%	11.15%	1.64%
S&P 500 Banks	461.87	1/12/2022	180.19	2/11/2016	405.38	-12.23%	16.93%	2.78%
FTSE NAREIT All Equity REITs	980.08	12/31/2021	483.48	3/23/2020	717.01	-26.84%	-4.31%	4.14%
S&P 500 Health Care	1723.97	3/28/2024	688.44	6/13/2014	1670.88	-3.08%	5.78%	1.62%
S&P 500 Pharmaceuticals	1130.39	2/23/2024	515.78	8/7/2014	1104.32	-2.31%	12.83%	2.30%
NYSE Arca Biotechnology	6319.77	2/8/2021	2579.46	6/2/2014	5131.21	-18.81%	-5.23%	0.26%
S&P 500 Information Technology	4086.66	5/28/2024	612.98	10/16/2014	3972.21	-2.80%	17.31%	0.66%
Philadelphia Semiconductor	5317.87	5/28/2024	549.47	10/13/2014	5123.36	-3.66%	23.15%	0.84%
S&P 500 Communication Services	299.42	5/28/2024	130.86	12/24/2018	296.23	-1.07%	20.88%	0.68%
S&P 500 Industrials	1066.71	3/28/2024	412.06	3/23/2020	1042.88	-2.23%	8.77%	1.53%
S&P 500 Materials	586.08	4/9/2024	234.97	1/25/2016	575.27	-1.84%	7.30%	1.85%
Philadelphia Gold & Silver	167.76	4/14/2022	38.84	1/19/2016	145.16	-13.47%	16.31%	1.57%
FTSE/CC CRB Excess Return	329.59	6/9/2022	106.29	4/21/2020	290.16	-11.96%	9.98%	N/A
ICE BofA Perpetual Preferred	319.67	9/22/2021	200.60	6/4/2014	309.61	-3.15%	4.09%	6.89%
ICE BofA U.S. High Yield Constrained	536.30	5/21/2024	313.74	2/11/2016	534.40	-0.36%	1.65%	8.18%

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