FIRST Trust ADVISORS L.P.
1001 Warrenville Road, Suite 300, Lisle, IL 60532 630/241-4141

For The Week Ended November 30, 2007
Weekly Market Commentary & Developments

US Economy and Credit Markets:

Yields and Weekly Changes:

3 Mo. T-Bill	3.14 (-07 bps)	**GNMA (30 Yr) 8% Coupon:** 104-25/32 (5.95%)	
6 Mo. T-Bill	3.34 (-02 bps)	**Duration:** 3.16 years	
2 Yr. T-Note	3.01 (-07 bps)	**30-Year Insured Revs**: 103.4% of 30 Yr. T-Bond	
5 Yr. T-Note	3.38 (-02 bps)	**Bond Buyer 40 Yield**: 4.79% (-07 bps)	
10 Yr. T-Note	3.94 (-07 bps)	**Crude Oil Futures**: 88.71 (-9.44)	
30 Yr. T-Bond	4.38 (-04 bps)	**Gold Futures**: 782.20 (-42.20)	
		Merrill Lynch High Yield Indices:	
		BB, 7-10 Yr.	7.87% (-03 bps)
		B, 7-10 Yr.	9.25% (-03 bps)

Treasury prices rose for the fifth consecutive week, closing out their best month since 1995. The rally can largely be credited to the ongoing bad news and losses from the subprime mortgage market, causing investors to seek the safety of Treasury debt. The credit market crisis, along with higher gasoline prices, caused Fed chairman Ben Bernanke to note that current economic conditions are likely to create "headwinds" for consumers. Bernanke's statement fueled speculation of another Fed rate cut at the December 11th meeting, with the futures market pricing in a 40% chance of a 25 bps cut and a 60% chance of a 50 bps cut. Economic reports (and related consensus forecasts) for the coming week include: Monday: November ISM Manufacturing (50.6, Prices Paid 66.0) and November Total Vehicle Sales (16.0 million); Wednesday: 3Q Final Nonfarm Productivity (5.7%) and Unit Labor Costs (-1.0%), October Factory Orders (0.0%), and November ISM Non-Manufacturing (55.0); Thursday: Initial Jobless Claims (335,000); Friday: November Employment Report, including Change in Nonfarm Payrolls (75,000), Unemployment Rate (4.8%), Average Hourly Earnings (0.3%), and Average Weekly Hours (33.8), December Preliminary U of Michigan Consumer Confidence (75.0), and October Consumer Credit ($5.0 billion).

US Stocks:

Weekly Index Performance

DJIA	13371.72 (+390.84,+3.0%)
S&P 500	1481.14 (+40.44,+2.8%)
S&P MidCap	860.74 (+26.26,+3.2%)
S&P Small Cap	398.77 (+6.55,+1.7%)
NASDAQ Comp	2660.96 (+64.36,+2.5%)
Russell 2000	767.77 (+12.74,+1.7%)

Market Indicators

Strong Sectors: Materials, Financials, Healthcare
Weak Sectors: Energy, Utilities, Technology, Precious Metals
NYSE Advance/Decline: 2,630 / 930
NYSE New Highs/New Lows: 144 / 605
AAII Bulls/Bears: 28.6% / 56.1%

US stocks logged their best week since March as Friday's gains completed a four-day winning streak for the DJIA and the S&P 500. The winning streak came on the heels of a steep drop for stocks Monday when credit concerns crested, taking the major averages officially into correction territory. Despite last week's gains, November was the worst month for stocks in five years. Investor fears eased Tuesday with the announcement of $7.5 billion in funding for **Citigroup** from the Abu Dhabi Investment Authority. Statements from Fed Official Kohn and Fed Chairman Bernanke were taken to mean the Fed would cut interest rates again on December 11th. Treasury Secretary Paulson announced plans were underway to relieve subprime borrowers from mortgage resets. Investors flocked to buy beaten-down financial issues. On Thursday, troubled **E*Trade** received a $2.55 billion capital infusion from a private equity firm. The possibility of stabilization in the Financial sector helped investors overlook a weak durable goods report and mounting estimates for the probability of recession next year. Crude oil prices fell 9.6% on anticipation OPEC would soon increase production quotas. Gold futures fell 5% as. "Black Friday" sales reports from retailers were seen in an optimistic light. **J Crew** and **Staples** stood out for better-than-expected quarterly results, but **Sears Holding** was a disappointment. **Dell** fell short of earnings estimates and offered a muted outlook. Looking ahead, investors will likely need to see weakness in this week's economic data including Friday's November employment report for stocks' bounce to continue since another rate cut appears priced in. The Financials will likely remain in focus for some time to come since earnings growth and hence valuation for the market as a whole depends on the heavyweight sector.