First Trust Market Watch

Week of November 17th

STOCK INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2007	5-yr.
DOW JONES 30 (8497)	-4.86%	-34.35%	-34.02%	8.88%	-0.45%
S&P 500 (873)	-6.11%	-39.33%	-39.27%	5.49%	-1.77%
NASDAQ 100 (1180)	-7.21%	-43.18%	-41.81%	19.24%	-3.07%
S&P 500/Citigroup Growth	-5.27%	-37.56%	-36.68%	9.25%	-2.64%
S&P 500/Citigroup Value	-7.06%	-41.21%	-41.93%	2.03%	-0.95%
S&P MidCap 400/Citigroup Growth	-7.67%	-42.20%	-41.94%	13.55%	-1.84%
S&P MidCap 400/Citigroup Value	-7.73%	-40.21%	-40.97%	2.84%	-0.19%
S&P SmallCap600/Citigroup Growth	-8.32%	-37.92%	-38.95%	5.66%	-0.04%
S&P SmallCap600/Citigroup Value	-9.77%	-36.68%	-38.25%	-5.19%	-0.15%
MSCI EAFE	-6.06%	-46.54%	-47.61%	11.76%	2.52%
MSCI World (ex US)	-6.33%	-46.42%	-47.50%	13.04%	2.87%
MSCI World	-6.28%	-43.19%	-43.73%	9.69%	0.43%
MSCI Emerging Markets	-6.09%	-56.54%	-57.58%	39.23%	7.18%

Source: Bloomberg. Returns are total returns. *The 5-yr. return is an average annual.* One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 11/14/08.

S&P SECTOR PERFORMANCE

Index	Week	YTD	12-mo.	2007	5-yr.
Consumer Discretionary	-9.22%	-41.21%	-43.24%	-13.21%	-7.47%
Consumer Staples	-3.43%	-17.54%	-15.99%	14.36%	4.57%
Energy	-3.49%	-36.23%	-30.73%	34.41%	15.90%
Financials	-11.71%	-55.33%	-58.52%	-18.52%	-11.51%
Health Care	-3.06%	-25.91%	-26.06%	7.32%	-0.73%
Industrials	-6.98%	-42.86%	-43.09%	12.04%	-0.91%
Information Technology	-7.99%	-45.28%	-43.97%	16.30%	-5.80%
Materials	-9.11%	-46.66%	-45.43%	22.53%	0.83%
Telecom Services	-0.51%	-34.81%	-33.99%	11.88%	4.54%
Utilities	-1.25%	-30.79%	-28.48%	19.38%	9.32%

Source: Bloomberg. Returns are total returns. *The 5-yr. return is an average annual.* One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 11/14/08.

BOND INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2007	5-yr.
U.S. Treasury: Intermediate	0.70%	6.99%	8.84%	8.83%	4.63%
GNMA 30 Year	0.12%	4.30%	5.84%	6.97%	4.85%
U.S. Aggregate	0.12%	-0.11%	1.43%	6.97%	3.70%
U.S. Corporate High Yield	-2.87%	-26.44%	-26.75%	1.88%	-0.28%
U.S. Corporate Investment Grade	0.94%	-11.80%	-11.22%	4.56%	0.78%
Municipal Bond: Long Bond (22+)	0.27%	-12.18%	-10.62%	0.46%	1.75%
Global Aggregate	-0.20%	-3.01%	-2.92%	9.48%	4.11%

Source: Lehman Bros. Returns include reinvested interest. *The 5-yr. return is an average annual.* One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 11/14/08.

KEY RATES

As of 11/14

Fed Funds	1.00%	5-YR CD	3.86%
LIBOR (1-month)	1.48%	2-YR Note	1.20%
CPI - Headline	4.90%	5-YR Note	2.31%
CPI - Core	2.50%	10-YR T-Bond	3.71%
Money Market Accts.	2.39%	30-YR T-Bond	4.20%
Money Market Funds	1.41%	30-YR Mortgage	6.07%
6-mo. CD	2.96%	Prime Rate	4.00%
1-YR CD	3.45%	Bond Buyer 40	5.84%

Sources: Bankrate.com, iMoneyNet.com and Bloomberg

MARKET INDICATORS

As of 11/14

TED Spread: 206 bps	Investment Grade Spread (A2): 552 bps	ML High Yield Master II Index Spread: 1687 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

WEEKLY FUND FLOWS

	Week of 11/12	Previous
Equity Funds	**$2.6 B**	**-$31.9 B**

Including ETF activity, Domestic funds reporting net inflows of $3.268 B and Non-domestic funds reporting net outflows of -$623 M.

Bond Funds	**-$1.5 B**	**-$41.3 B**
Municipal Bond Funds	**-$163 M**	**-$6.919 M**
Money Markets	**$23.024 B**	**$138.355 B**

Source: AMG Data Services

FACTOIDS FOR THE WEEK OF NOVEMBER10TH - NOVEMBER 14TH

Monday, November 10, 2008
The global pharmaceutical market is expected to grow 4.5%-5.5% in 2009, a pace similar to 2008, according to the IMS Global Pharmaceutical and Therapy Forecast™ from IMS Health. Sales are expected to surpass $820 billion, with sustained double-digit growth in some key emerging countries. Products mainly prescribed by specialists are forecast to grow 8-9% and are expected to contribute 67% of total market growth. Biologics are forecast to grow at an 11-12% pace.

Tuesday, November 11, 2008
The 38.9 index reading posted by the ISM Manufacturing Index in October reflected a steep drop in activity from the 49.9 reading registered in August. A reading below 50 signals a contraction. Historically, whenever that reading has dipped below 39 the S&P 500 has gained an average of 34% the following year (no down years), according to Bill Stone, member of the Forbes.com Investor Team.

Wednesday, November 12, 2008
Equity fund investors could be facing another big tax bill this year despite the fact that the S&P 500 is down 40%, according to Bloomberg. Equity fund redemptions totaled $70.7 billion in October and $56.0 billion in September, according to TrimTabs Investment Research. Substantial withdrawals can force portfolio managers to sell profitable holdings to raise the cash needed to meet redemption requests, and that can trigger distributions, according to Bloomberg. The record-high tax bill for fund distributions was $31.3 billion in 2000. ETFs, which are more tax-advantaged than mutual funds by design, posted a $2.6 billion net increase in assets in October, according to Scott Burns, director of ETF analysis at Morningstar.

Thursday, November 13, 2008
The global speculative-grade default rate stood at 2.8% in October, up from 2.7% (revised down from 2.8%) in September, according to Moody's. The rate was 1.1% a year ago. Moody's is now forecasting the rate will rise to 10.4% by October 2009. The U.S. speculative-grade default rate stood at 3.3% in October, up from 3.1% (revised down from 3.4%) in September. The rate was 1.1% a year ago. Moody's is now forecasting the rate will match or exceed the levels reached in the last two recessions (10-11%). The silver lining may be that high yield prices already reflect these target default rates. The spread between the Merrill Lynch High Yield Master II Index and the 10-yr. T-Note closed yesterday's session at 1,529 basis points. That spread was 482 basis points a year ago. The default rate on senior loans stood at 3.59% at the close of October, according to Standard & Poor's LCD. In early 2001 (just prior to the last recession in the U.S.), the default rate reached 7.92%.

Friday, November 14, 2008
Tomorrow is the last day for many hedge fund investors to submit a request to liquidate shares in 2008, according to *USA TODAY*. As of the end of September, investors had pulled an estimated $85 billion from hedge funds, according to Charles Gradante, co-founder of hedge fund adviser Hennessee Group. Eurekahedge, a data and research provider, estimates that an additional $60 billion left in October. These liquidations have contributed to the heightened selling pressure in the stock market. The average hedge fund was down 15.3% this year through October – on pace for a record annual loss, according to Hennessee Group.