First Trust
120 E. Liberty Drive, Wheaton, IL 60187 630-765-8000

For The Week Ended November 28, 2008
Weekly Market Commentary & Developments

US Economy and Credit Markets:

Yields and Weekly Changes:

3 Mo. T-Bill	0.04 (+03 bps)	**GNMA (30 Yr) 7% Coupon:**	102-29/32 (5.79%)
6 Mo. T-Bill	0.41 (+10 bps)	**Duration:**	3.32 years
1 Yr. T-Note	0.89 (+05 bps)	**30-Year Insured Revs**:	183.0% of 30 Yr. T-Bond
2 Yr. T-Note	0.98 (-10 bps)	**Bond Buyer 40 Yield**:	6.15% (+14 bps)
3 Yr. T-Note	1.25 (-09 bps)	**Crude Oil Futures**:	55.40 (+4.90)
5 Yr. T-Note	1.91 (-10 bps)	**Gold Futures**:	817.20 (+17.50)
10 Yr. T-Bond	2.92 (-27 bps)	**Merrill Lynch High Yield Indices:**	
30 Yr. T-Bond	3.43 (-24 bps)	**BB, 7-10 Yr.**	13.94% (-12 bps)
		B, 7-10 Yr.	19.69% (-31 bps)

Prices for Treasuries continue to rise, pushing yields to their lowest levels in decades. Before coming off of its Friday low of 2.90%, the yield on the benchmark 10-year note reached its lowest level since daily records began being kept in 1962. Treasuries returned 5.07% in November, their largest one-month gain since 1981, as investors continued to seek safety amid continued bad news from the economy and terrorist attacks in Mumbai, India. U.S. investment grade bonds also showed strong gains for the month, returning 3.6% following October's 7.4% loss. Both new and existing home sales were below expectations once again in October, and durable goods orders fell more sharply than forecasts. Economic reports (and related consensus forecasts) for the coming week include: Monday: November ISM Manufacturing (37.0, ISM Prices Paid 32.5); Tuesday: November Total Vehicle Sales (10.5 million); Wednesday: 3Q Final Nonfarm Productivity (+0.9%) and Unit Labor Costs (+3.6%), November ISM Non-Manufacturing Composite (42.0), and Fed's Beige Book released; Thursday: Initial Jobless Claims (540,000) and October Factory Orders (-4.2%); Friday: November Employment Report, including Change in Nonfarm Payrolls (-323,000), Unemployment Rate (6.8%), Average Hourly Earnings (+0.2%), and Average Weekly Hours (33.6), and October Consumer Credit ($1.5 billion).

US Stocks:

Weekly Index Performance

DJIA	8829.04 (+782.62,+9.7%)
S&P 500	896.24 (+96.21,+12.0%)
S&P MidCap	514.56 (+73.05,+16.5%)
S&P Small Cap	253.76 (+33.66,+15.3%)
NASDAQ Comp	1535.57 (+151.22,+10.9%)
Russell 2000	473.14 (+66.60,+16.4%)

Market Indicators

Strong Sectors: Financials, Consumer Discretionary, Telecom
Weak Sectors: Utilities, Consumer Staples, Health Care
NYSE Advance/Decline: 3,052 / 230
NYSE New Highs/New Lows: 9 / 195
AAII Bulls/Bears: 31.3% / 44.9%

U.S. stocks advanced each day of the holiday shortened week as the government bailed out **Citigroup** and announced additional programs to ease the credit crunch. The S&P 500 turned in its best weekly performance in over 34 years. The government's plan to throw **Citigroup** a lifeline in the form of a cash infusion and backstopping toxic assets brought relief to the financial sector. **Citigroup** shares more than doubled on the week while the financial sector as a whole gained 31%. In addition, Treasury Secretary Paulson announced a new program whereby the government will buy mortgage-backed securities as well as other asset-backed securities. The announcement was well received and mortgage rates dropped 50bps leading to a wave of refinancings. The news helped push homebuilder's shares up almost 60% for the week. **GM** shares surged as the company acknowledged it might have to jettison product lines in order to survive and receive government help. The week's economic releases generally confirmed the tough economic conditions with GDP revised lower, durable goods orders weaker than expected and year-over-year housing prices falling the most on record. Looking ahead, initial results from the start of the Christmas shopping season will be closely scrutinized as will the November jobs report. While last week's rally helped lift the mood on Wall Street, signs of stabilization in the housing and credit markets will likely be needed for equities to mount a sustainable rally from current levels.