First Trust Market Watch

Week of July 7th

STOCK INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2007	5-yr.
DOW JONES 30 (11289)	-0.48%	-13.82%	-14.79%	8.88%	6.87%
S&P 500 (1263)	-1.18%	-13.07%	-15.56%	5.49%	7.04%
NASDAQ 100 (1817)	-2.12%	-12.68%	-7.88%	19.24%	8.51%
S&P 500/Citigroup Growth	-1.21%	-9.32%	-8.46%	9.25%	6.22%
S&P 500/Citigroup Value	-1.16%	-17.09%	-22.47%	2.03%	7.77%
S&P MidCap 400/Citigroup Growth	-4.51%	-5.06%	-6.63%	13.55%	11.04%
S&P MidCap 400/Citigroup Value	-4.33%	-10.07%	-17.97%	2.84%	11.69%
S&P SmallCap600/Citigroup Growth	-4.58%	-8.84%	-14.60%	5.66%	11.15%
S&P SmallCap600/Citigroup Value	-4.37%	-11.77%	-23.13%	-5.19%	9.93%
MSCI EAFE	-2.00%	-12.74%	-13.40%	11.76%	16.09%
MSCI World (ex US)	-2.02%	-11.60%	-11.70%	13.04%	16.73%
MSCI World	-1.75%	-12.06%	-13.19%	9.69%	11.75%
MSCI Emerging Markets	-4.67%	-16.12%	-3.71%	39.23%	27.26%

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 07/03/08.

S&P SECTOR PERFORMANCE

Index	Week	YTD	12-mo.	2007	5-yr.
Consumer Discretionary	-2.39%	-14.52%	-28.97%	-13.21%	1.67%
Consumer Staples	1.25%	-6.31%	1.25%	14.36%	8.31%
Energy	-1.38%	5.54%	18.48%	34.41%	28.80%
Financials	-2.78%	-30.20%	-43.50%	-18.52%	-1.74%
Health Care	1.26%	-12.37%	-12.52%	7.32%	2.34%
Industrials	-0.97%	-15.25%	-15.58%	12.04%	9.25%
Information Technology	-2.31%	-14.23%	-10.82%	16.30%	6.42%
Materials	-5.74%	-4.27%	-1.42%	22.53%	16.70%
Telecom Services	0.30%	-19.59%	-22.47%	11.88%	7.06%
Utilities	1.56%	-3.44%	4.25%	19.38%	16.96%

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 07/03/08.

BOND INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2007	5-yr.
U.S. Treasury: Intermediate	0.31%	2.61%	10.02%	8.83%	3.65%
GNMA 30 Year	-0.25%	1.44%	7.59%	6.97%	4.42%
U.S. Aggregate	-0.05%	1.01%	7.02%	6.96%	3.89%
U.S. Corporate High Yield	-0.78%	-2.08%	-2.95%	1.87%	6.74%
U.S. Corporate Investment Grade	0.04%	-0.81%	3.07%	4.56%	3.20%
Municipal Bond: Long Bond (22+)	1.39%	-1.36%	-0.37%	0.45%	4.19%
Global Aggregate	-0.36%	3.29%	12.09%	9.48%	5.84%

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 07/03/08.

KEY RATES

As of 07/03

Fed Funds	2.00%	5-YR CD	3.96%
LIBOR (1-month)	2.46%	2-YR Note	2.52%
CPI - Headline	4.20%	5-YR Note	3.27%
CPI - Core	2.30%	10-YR Note	3.98%
Money Market Accts.	2.39%	30-YR T-Bond	4.53%
Money Market Funds	1.87%	30-YR Mortgage	6.19%
6-mo. CD	2.99%	Prime Rate	5.00%
1-YR CD	3.37%	Bond Buyer 40	5.14%

Sources: Bankrate.com, iMoneyNet.com and Bloomberg

WEEKLY FUND FLOWS

	Week of 07/02	Previous
Equity Funds	**$1.7 B**	**-$13.5 B**

Including ETF activity, Domestic funds reporting net inflows of $3.277 B and Non-domestic funds reporting net outflows of -$1.538 B.

Bond Funds	**-$995 M**	**-$1.3 B**
Municipal Bond Funds	**$330 M**	**$461 M**.
Money Markets	**$1.988 B**	**-$11.754 B**

Source: AMG Data Services

FACTOIDS FOR THE WEEK OF JUNE 30TH - JULY 4TH

Monday, June 30, 2008
As of the close of today's trading session, commodities will likely have posted their best first half in 35 years, according to Bloomberg. The 29% six-month gain (through June 27) by the Reuters/Jefferies CRB Index also tops any second-half gain registered in the past five decades. There is some evidence, however, that the appetite for commodities may be shrinking. Second-quarter net inflows into European exchange-traded products linked to commodities declined nearly 58% from the first quarter's take. Michael Aronstein, president of Marketfield Asset Management and proponent of commodities for the past seven years, believes that commodity prices could be vulnerable to a "dramatic secular reversal" that extends beyond a typical pullback.

Tuesday, July 1, 2008
The combination of a 46% surge in the price of crude oil to $140 per barrel, growing inflation concerns and the continued write down of billions of dollars in mortgage-related losses by financial institutions helped push the DJIA, S&P 500 and Russell 2000 down 13.4%, 11.9% and 9.4%, respectively, in the first half of 2008. The total value of the U.S. stock market fell $2.1 trillion over the past six months – $1.4 trillion in June alone, according to *USA TODAY*. Bob Doll, CIO at Blackrock, believes the market has seen the worst and should grind higher over the next six months.

Wednesday, July 2, 2008
In June, the dividend-payers (386) in the S&P 500 (equal weight) posted a total return of -9.77%, vs. -10.49% for the non-payers (114), according to Standard & Poor's. Year-to-date, the payers declined 13.39%, vs. a loss of 11.27% for the non-payers. For the 12-month period ended June '08, payers fell 17.58%, vs. a decline of 19.70% for the non-payers. The number of dividend increases (S&P 500) year-to-date totaled 158. That lagged the 165 increases over the same period in 2007 and the 179 increases registered in 2006. Due to the broad sell-off in the market, the dividend yield on the index jumped from 2.07% at the end of May to 2.26% at the end of June.

Thursday, July 3, 2008
The Q2'08 edition of the I*nvestment Manager Outlook*, a survey of investment managers conducted by Russell Investment Group, says that money managers continue to be most bullish on U.S. Large-Cap Growth stocks over all other asset classes (including debt groups). Fifty-seven percent of those managers polled are bullish, down from 64% in Q1'08. Rounding out the top five are U.S. Mid-Cap Growth stocks and Emerging Market equities (both at 49%), Non-U.S. Developed Market equities (42%) and U.S. Small-Cap Growth stocks (40%). The top three sectors that managers are most bullish on are Technology (68%), Other (ex Integrated Oils) Energy (57%) and Health Care (54%).

Friday, July 4, 2008
Holiday, no factoid.