First Trust

Market Watch

Week of September 22nd

STOCK INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2007	5-yr.
DOW JONES 30 (11422)	-0.27%	-12.48%	-15.40%	8.88%	5.79%
S&P 500 (1252)	0.30%	-13.18%	-16.16%	5.49%	5.87%
NASDAQ 100 (1767)	-1.25%	-16.01%	-14.09%	19.24%	5.05%
S&P 500/Citigroup Growth	-0.79%	-12.81%	-13.54%	9.25%	4.25%
S&P 500/Citigroup Value	1.54%	-13.53%	-18.70%	2.03%	7.53%
S&P MidCap 400/Citigroup Growth	0.88%	-6.67%	-7.32%	13.55%	8.83%
S&P MidCap 400/Citigroup Value	3.19%	-3.79%	-8.51%	2.84%	11.05%
S&P SmallCap600/Citigroup Growth	3.62%	-0.53%	-7.19%	5.66%	10.65%
S&P SmallCap600/Citigroup Value	4.83%	3.08%	-6.44%	-5.19%	11.13%
MSCI EAFE	-0.11%	-22.19%	-21.25%	11.76%	11.58%
MSCI World (ex US)	0.14%	-21.16%	-20.07%	13.04%	12.22%
MSCI World	0.28%	-17.26%	-17.90%	9.69%	8.95%
MSCI Emerging Markets	-1.12%	-30.86%	-24.44%	39.23%	19.70%

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 09/19/08.

S&P SECTOR PERFORMANCE

Index	Week	YTD	12-mo.	2007	5-yr.
Consumer Discretionary	-1.38%	-6.16%	-17.80%	-13.21%	2.31%
Consumer Staples	-2.75%	-0.58%	4.42%	14.36%	9.12%
Energy	3.60%	-9.98%	-6.17%	34.41%	24.20%
Financials	7.43%	-20.60%	-33.36%	-18.52%	-0.23%
Health Care	-2.52%	-9.73%	-9.75%	7.32%	3.47%
Industrials	-1.21%	-14.36%	-17.69%	12.04%	7.50%
Information Technology	-1.36%	-18.69%	-16.74%	16.30%	2.27%
Materials	1.31%	-7.78%	-6.42%	22.53%	13.39%
Telecom Services	-3.00%	-23.90%	-26.70%	11.88%	6.97%
Utilities	-3.56%	-16.14%	-11.69%	19.38%	13.64%

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 09/19/08.

BOND INDEX PERFORMANCE

Index	Week	YTD	12-mo.	2007	5-yr.
U.S. Treasury: Intermediate	0.03%	4.44%	8.18%	8.83%	4.17%
GNMA 30 Year	-0.12%	4.35%	7.14%	6.97%	5.02%
U.S. Aggregate	-1.13%	1.75%	4.71%	6.97%	4.23%
U.S. Corporate High Yield	-2.26%	-4.52%	-5.12%	1.88%	5.68%
U.S. Corporate Investment Grade	-4.78%	-6.05%	-3.83%	4.56%	2.29%
Municipal Bond: Long Bond (22+)	-5.08%	-5.82%	-5.20%	0.46%	3.60%
Global Aggregate	-0.23%	0.66%	5.00%	9.48%	5.42%

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 09/19/08.

KEY RATES

As of 09/19

Fed Funds	2.00%	5-YR CD	4.16%
LIBOR (1-month)	2.75%	2-YR Note	2.17%
CPI - Headline	5.40%	5-YR Note	3.03%
CPI - Core	2.50%	10-YR T-Bond	3.81%
Money Market Accts.	2.41%	30-YR T-Bond	4.38%
Money Market Funds	1.88%	30-YR Mortgage	5.32%
6-mo. CD	3.19%	Prime Rate	5.00%
1-YR CD	3.69%	Bond Buyer 40	5.62%

Sources: Bankrate.com, iMoneyNet.com and Bloomberg

WEEKLY FUND FLOWS

	Week of 09/17	Previous
Equity Funds	**$4.4 B**	**$410 M**

Including ETF activity, Domestic funds reporting net inflows of $6.824 B and Non-domestic funds reporting net outflows of -$2.453 B.

Bond Funds	**-$4.3 B**	**$10.4 B**
Municipal Bond Funds	**$89 M**	**$3.163 B**
Money Markets	**-$144.541 B**	**$44.443 B**

-58.417 B is withdrawn from the Reserve Primary MM share classes.

Source: AMG Data Services

FACTOIDS FOR THE WEEK OF SEPTEMBER 15TH - SEPTEMBER 19TH

Monday, September 15, 2008
This year is turning out to be another example of why investors should not chase returns. In 2007, 47 constituents in the S&P 500 rose by 50% or more even though the index posted a total return of just 5.5%, according to *USA TODAY*. Not only are 40 of the 47 stocks in the red so far in 2008, but 23 are lagging the S&P 500, which is down 13.4% through September 12. Even this year's first half winners are selling off. The top performing large-cap companies in the first six months are off an average of 25.7% so far in the second half, according to Justin Walters at Bespoke Investment Group.

Tuesday, September 16, 2008
Ibbotson Associates, a subsidiary of Morningstar, recommends that investors with more than 15 years until retirement commit 35% of their equity allocation to overseas markets, according to Kiplinger.com. U.S. equities account for roughly 40% of the world's total stock market capitalization. Ibbotson believes that emerging markets offer the greatest long-term growth potential and suggest a 10% weighting in one's equity portfolio. While emerging markets are off 32.5% (MSCI Emerging Markets Index in USD) so far in 2008, they did outperform U.S. stocks in each of the past seven calendar years. In this decade (as of 8/29/08), emerging markets equities have posted a cumulative total return of 95.4% (USD), vs. 1.1% for the S&P 500, according to data from Bloomberg.

Wednesday, September 17, 2008
The backlash from the run-up in corn prices as well as other commodities used to make biofuels may prove to be a boon for the biomass industry moving forward, according to Kiplinger.com. While ethanol is primarily centered in the Midwest, the biomass industry can flourish in many parts of the country. Biomass can be made from the following resources: waste products found in fields, forests and city dumps, switchgrass and fast-growing hybrid poplar trees. In addition, the U.S. has an energy law calling for 100 million gallons of cellulosic biofuels by 2010, 500 million gallons by 2012 and at least 16 billion gallons in 2022.

Thursday, September 18, 2008
The Bureau of Labor Statistics reported that out of the top 15 fastest growing job opportunities for 2006-2016, 10 do not require a college degree, according to Foxbusiness.com. The catch is that workers (age 25 to 64) with a four-year bachelor's degree earn nearly double that of individuals with a high school diploma. The greatest number of jobs will be in the following industries: network systems and data communication analyst; personal and home care aide; home health nursing and psychiatric aide; veterinary assistant; makeup artist; medical assistant; substance abuse and disorder counselor; social and human service assistant; gaming surveillance officer and gaming investigator; and physical therapist assistant.

Friday, September 19, 2008
The S&P 500 declined by more than 4% in two out of the first three trading sessions this week. The last time this occurred was during the crash back in October 1987, according to Bespoke Investment Group. Prior to 1987, it had not happened since 1948. Such moves were more common during the Great Depression. Since 1929, the average return posted by the S&P 500 on the day after the last -4% day was 0.85%. Over the next week and month the average returns were 4.94% and 6.43%, respectively.