First Trust

Market Watch

Week of November 30th

Stock Index Performance

Index	Week	YTD	12-mo.	2008	5-yr
Dow Jones Industrial Avg. (10,310)	-0.01%	21.11%	22.05%	-31.92%	2.21%
S&P 500 (1,091)	0.06%	23.59%	26.11%	-36.99%	0.48%
NASDAQ 100 (1,765)	0.09%	46.71%	49.06%	-41.57%	2.80%
S&P 500/Citigroup Growth	0.24%	28.55%	30.34%	-34.91%	1.62%
S&P 500/Citigroup Value	-0.15%	18.37%	21.69%	-39.19%	-0.75%
S&P MidCap 400/Citigroup Growth	-0.26%	33.90%	41.12%	-37.58%	3.44%
S&P MidCap 400/Citigroup Value	-0.75%	24.39%	32.33%	-34.78%	2.05%
S&P SmallCap 600/Citigroup Growth	-0.96%	17.43%	24.66%	-32.84%	0.71%
S&P SmallCap 600/Citigroup Value	-1.39%	12.89%	21.78%	-29.50%	-0.38%
MSCI EAFE	-0.18%	29.38%	37.75%	-43.07%	4.02%
MSCI World (ex US)	-0.69%	37.69%	46.64%	-43.26%	6.13%
MSCI World	-0.07%	27.20%	32.49%	-40.39%	2.23%
MSCI Emerging Markets	-2.49%	69.53%	83.11%	-53.49%	15.67%

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 11/27/09.

S&P Sector Performance

Index	Week	YTD	12-mo.	2008	5-yr
Consumer Discretionary	0.33%	35.68%	44.65%	-33.49%	-2.16%
Consumer Staples	0.13%	15.76%	16.90%	-15.44%	6.29%
Energy	0.53%	14.75%	8.49%	-34.89%	9.80%
Financials	-2.25%	15.85%	18.86%	-55.23%	-11.06%
Health Care	1.33%	17.58%	27.12%	-22.80%	3.39%
Industrials	0.33%	19.19%	23.71%	-39.92%	-0.94%
Information Technology	-0.32%	52.69%	55.03%	-43.14%	2.49%
Materials	-0.34%	45.24%	45.78%	-45.64%	3.93%
Telecom Services	3.29%	4.51%	6.39%	-30.47%	1.48%
Utilities	1.14%	5.18%	4.92%	-28.99%	4.78%

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 11/27/09.

Bond Index Performance

Index	Week	YTD	12-mo.	2008	5-yr
U.S. Treasury: Intermediate	0.42%	0.31%	2.79%	11.35%	5.16%
GNMA 30 Year	0.42%	6.86%	8.55%	7.87%	6.02%
U.S. Aggregate	0.39%	7.26%	11.45%	5.24%	5.40%
U.S. Corporate High Yield	0.24%	53.44%	67.02%	-26.16%	6.07%
U.S. Corporate Investment Grade	0.23%	18.94%	27.75%	-4.94%	4.92%
Municipal Bond: Long Bond (22+)	0.42%	21.64%	22.15%	-14.68%	3.83%
Global Aggregate	0.63%	10.63%	17.01%	4.79%	5.60%

Source: Barclays Capital. Returns are total returns. The ***5-yr. return is an average annual.*** One-week, YTD, 12-mo. and 5-yr. performance returns calculated through 11/27/09.

Key Rates

As of 11/27

Fed Funds	0.00-0.25%	5-yr CD	2.93%
LIBOR (1-month)	0.24%	2-yr T-Note	0.67%
CPI - Headline	-0.20%	5-yr T-Note	2.02%
CPI - Core	1.70%	10-yr T-Note	3.20%
Money Market Accts.	1.00%	30-yr T-Bond	4.20%
Money Market Funds	0.04%	30-yr Mortgage	4.97%
6-mo. CD	1.23%	Prime Rate	3.25%
1-yr CD	1.75%	Bond Buyer 40	5.40%

Sources: Bankrate.com, iMoneyNet.com and Bloomberg.

Market Indicators

As of 11/27

TED Spread	20 bps
Investment Grade Spread (A2)	229 bps
ML High Yield Master II Index Spread	766 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 11/18/09

Estimated Flows to Long-Term Mutual Funds

	Current Week		Previous	
Domestic Equity	-$1.276	Billion	-$1.241	Billion
Foreign Equity	$2.239	Billion	-$2.704	Billion
Taxable Bond	$8.876	Billion	$7.388	Billion
Municipal Bond	$1.253	Billion	$1.495	Billion

Change in Money Market Fund Assets

	Current Week		Previous	
Retail	-$5.39	Billion	-$4.90	Billion
Institutional	-$2.43	Billion	$8.62	Billion

Source: Investment Company Institute

Factoids for the week of November 23rd – 27th

Monday, November 23, 2009
The Organisation for Economic Co-operation and Development (OECD) is forecasting a global growth rate of 3.4% for 2010. Its estimate for the U.S. is 2.5%. The strongest growth is expected to come from emerging markets, primarily the BRIC countries. These four countries are holding significant foreign exchange reserves, according to *Forbes*. Their reserve totals are as follows: Brazil ($235 billion), Russia ($433 billion), India ($284 billion), and China ($2.3 trillion).

Tuesday, November 24, 2009
The number of banks on the FDIC's problem list rose to 552 in Q3'09, the highest level since the end of the S&L crisis in 1993, according to CNNMoney.com. There were only 80 banks on the list at the close of Q1'08. There are roughly 8,200 banks operating in the U.S. So far this year, 124 banks have failed.

Wednesday, November 25, 2009
Investors should be prepared for the dollar to weaken further in 2010 due to the trillions of dollars of fiscal and monetary stimulus committed in the U.S., according to Bloomberg. The Dollar Index declined 15.75% from March 5 (recent high) through November 24, the steepest drop over any eight month stretch in 23 years. The consensus from such top forecasters as Standard Chartered Plc, Aletti Gestielle SGR, HSBC Holdings Plc and Scotia Capital Inc. sees the dollar depreciating by as much as 6.4% versus the euro. Other forecasters believe the dollar could rally once the Fed begins to reign in liquidity. Historically, the dollar doesn't rise on a sustained basis until 12 months after the Fed begins to tighten, according to Callum Henderson, head of foreign-exchange strategy for Standard Chartered.

Thursday, November 26, 2009
Markets Closed – Thanksgiving Day.

Friday, November 27, 2009
In the most recent Social Security trustees report, it was noted that Social Security will begin paying out more in benefits than it takes in from payroll taxes in 2016, according to MSN Money. Unless the system is modified, the $2.4 trillion trust fund, which is invested in government bonds, could be exhausted by 2037. At that point, Social Security would only be able to pay around 75% of its promised benefits through 2083. The 12.4% payroll tax is split equally between employees and employers on earnings up to $106,800. The tax was originally designed to capture 90% of all earnings nationwide, but with rapid wage increases for high earners the portion of earnings now subject to the tax is closer to 83%.