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

For The Week Ended April 9th, 2009
Weekly Market Commentary & Developments

US Economy and Credit Markets:

Yields and Weekly Changes:

3 Mo. T-Bill	0.17 (-03 bps)	**GNMA (30 Yr) 6% Coupon:**	104-21/32 (3.19%)
6 Mo. T-Bill	0.37 (-03 bps)	**Duration:**	2.75 years
1 Yr. T-Bill	0.58 (+01 bps)	**30-Year Insured Revs:**	178.4% of 30 Yr. T-Bond
2 Yr. T-Note	0.94 (unch.)	**Bond Buyer 40 Yield:**	5.54% (-02 bps)
3 Yr. T-Note	1.35 (+03 bps)	**Crude Oil Futures:**	52.01 (-0.46)
5 Yr. T-Note	1.88 (+03 bps)	**Gold Futures:**	881.30 (-10.20)
10 Yr. T-Note	2.91 (+03 bps)	**Merrill Lynch High Yield Indices:**	
30 Yr. T-Bond	3.75 (+06 bps)	**BB, 7-10 Yr.**	11.43% (-19 bps)
		B, 7-10 Yr.	14.96% (-22 bps)

Treasury yields were slightly higher for the week. Prices declined Monday on the specter of $59 billion in auctions for the week. First quarter earnings concerns led to weakness in the equity markets, sending Treasury prices higher on Tuesday. Prices rose again Wednesday as the minutes of the most recent Fed meeting indicated that the only debate at the meeting was only the amount of debt the FOMC would buy, not whether they would buy. Prices fell Thursday ahead of the Good Friday holiday despite fairly strong demand at an auction of 10-year notes. Import prices showed their sharpest year-over-year decline since data was first published in 1982 as demand continues to be hit by the weakened economy. Major economic reports (and related consensus forecasts) for next week include: Tuesday: March Producer Price Index (0.0%, less Food & Energy 0.1%), March Advance Retail Sales (0.3%, less Autos 0.1%), and February Business Inventories (-1.1%); Wednesday: March Consumer Price Index (0.2%, less Food & Energy 0.1%), March Industrial Production (-0.9%) and Capacity Utilization (69.7%), and Fed's Beige Book released; Thursday: March Housing Starts (550,000), Initial Jobless Claims (665,000), and April Philadelphia Fed report (-32.0); and Friday: April Preliminary U of Michigan Confidence (58.5).

US Stocks:

Weekly Index Performance

DJIA	8083.38 (+65.79,+0.8%)
S&P 500	856.56 (+14.06,+1.7%)
S&P MidCap	536.43 (+11.92,+2.3%)
S&P Small Cap	248.11 (+7.14,+3.0%)
NASDAQ Comp	1652.54 (+30.67,+1.9%)
Russell 2000	468.20 (+12.07,+2.7%)

Market Indicators

Strong Sectors: Financials, Industrials, Consumer Discretionary
Weak Sectors: Telecom Svcs., Energy, Consumer Staples
NYSE Advance/Decline: 2,267 / 899
NYSE New Highs/New Lows: 14 / 8
AAII Bulls/Bears: 35.7% / 44.3%

US stocks notched their fifth straight week of gains as investors continued to take a “less bad” view of developments in the economy and the corporate sector. Early week profit-taking gave way to a late surge as stocks rallied hard on Thursday, the week’s final session ahead of the Good Friday holiday. Financials continued their ascent off depressed levels, spurred by **Wells Fargo**’s announcement it expects to report a $3 billion first quarter profit aided by its acquisition last fall of Wachovia. Wells shares rose 20%. A report out mid-week that life insurers owning federally-chartered banks and thrifts may soon become eligible for TARP funds sent insurance shares soaring. In earnings news, **Alcoa** inaugurated Q1 reporting season by reporting a deeper-than-expected loss. **Bed Bath & Beyond** reported strong earnings at least partly resulting from the demise of a competitor. Retail monthly same-store sales results for March were mixed. **Wal-Mart** surprised investors with a tepid gain but **J.C. Penney** reported a less dire than feared decline. Elsewhere, aerospace and defense shares responded positively to the release of details by the Defense Secretary on new spending priorities. **Ford Motor** successfully engineered a $9.9 billion debt-for-equity swap. In merger news, homebuilder **Pulte Homes** announced it plans to buy competitor **Centex** for $1.3 billion in stock. The SEC released for public comment new rules for limiting short-selling. Looking ahead, earnings season begins to heat up in the coming week with a wide swath of corporate America set to report results. Investors will be looking for affirmation of their newly-positive outlook by focusing on any statements about current and expected business conditions. The scope and depth of the challenges still facing the economy and financial system likely means investors would be unwise to extrapolate recent gains too far into the future.