First Trust

Market Watch

Week of December 6th

Stock Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
Dow Jones Industrial Avg. (11,382)	2.71%	11.99%	12.81%	22.68%	3.64%
S&P 500 (1,225)	3.03%	11.91%	13.61%	26.47%	1.48%
NASDAQ 100 (2,191)	1.75%	18.68%	23.85%	54.63%	5.72%
S&P 500 Growth	2.69%	13.28%	15.34%	31.58%	2.98%
S&P 500 Value	3.39%	10.57%	11.92%	21.17%	-0.11%
S&P MidCap 400 Growth	3.19%	28.45%	34.55%	41.23%	6.22%
S&P MidCap 400 Value	3.25%	19.00%	25.58%	33.77%	3.92%
S&P SmallCap 600 Growth	2.85%	24.87%	34.81%	28.34%	4.07%
S&P SmallCap 600 Value	3.38%	19.39%	27.33%	22.86%	2.69%
MSCI EAFE	3.08%	5.05%	3.04%	31.78%	2.53%
MSCI World (ex US)	3.31%	8.25%	7.01%	41.45%	4.89%
MSCI World	3.07%	8.80%	8.70%	29.99%	2.03%
MSCI Emerging Markets	3.79%	15.71%	16.25%	78.51%	13.08%

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 12/03/10.

S&P Sector Performance

Index	Week	YTD	12-mo.	2009	5-yr
Consumer Discretionary	2.93%	27.22%	31.75%	41.33%	3.77%
Consumer Staples	1.11%	11.42%	10.43%	14.89%	7.10%
Energy	5.00%	15.77%	15.58%	13.86%	6.96%
Financials	4.95%	6.40%	7.01%	17.24%	-11.62%
Health Care	1.51%	1.12%	2.21%	19.70%	1.93%
Industrials	4.11%	22.85%	23.65%	20.93%	2.47%
Information Technology	1.76%	8.68%	13.57%	61.72%	3.76%
Materials	5.75%	16.54%	17.14%	48.57%	6.78%
Telecom Services	1.83%	13.33%	15.55%	8.93%	4.72%
Utilities	1.29%	4.05%	6.15%	11.91%	3.74%

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 12/03/10.

Bond Index Performance

Index	Week	YTD	12-mo.	2009	5-yr
U.S. Treasury: Intermediate	-0.35%	6.26%	4.57%	-1.41%	5.76%
GNMA 30 Year	-0.53%	6.90%	5.76%	5.37%	6.62%
U.S. Aggregate	-0.50%	6.97%	5.86%	5.93%	6.10%
U.S. Corporate High Yield	0.24%	13.78%	16.86%	58.21%	8.82%
U.S. Corporate Investment Grade	-0.62%	8.96%	8.76%	18.68%	6.28%
Municipal Bond: Long Bond (22+)	-0.25%	4.14%	4.76%	23.43%	3.61%
Global Aggregate	0.49%	5.05%	1.49%	6.93%	6.85%

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 12/03/10.

Key Rates

As of 12/03

Fed Funds	0.00-0.25%	5-yr CD	2.22%
LIBOR (1-month)	0.26%	2-yr T-Note	0.46%
CPI - Headline	1.20%	5-yr T-Note	1.61%
CPI - Core	0.60%	10-yr T-Note	3.01%
Money Market Accts.	0.64%	30-yr T-Bond	4.32%
Money Market Funds	0.03%	30-yr Mortgage	4.70%
6-mo CD	0.75%	Prime Rate	3.25%
1-yr CD	1.03%	Bond Buyer 40	5.32%

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

Market Indicators

As of 12/03

TED Spread	16 bps
Investment Grade Spread (A2)	192 bps
ML High Yield Master II Index Spread	592 bps

Sources: Bloomberg and Merrill Lynch via Bloomberg.

Weekly Fund Flows for the Week Ended 11/24/10

Estimated Flows to Long-Term Mutual Funds

	Current Week		Previous	
Domestic Equity	-$2.585	Billion	-$2.797	Billion
Foreign Equity	$141	Million	$1.633	Billion
Taxable Bond	$1.317	Billion	$457	Million
Municipal Bond	-$3.072	Billion	-$4.781	Billion

Change in Money Market Fund Assets

	Current Week		Previous	
Retail	-$6.42	Billion	$2.86	Billion
Institutional	$3.18	Billion	$12.49	Billion

Source: Investment Company Institute

Factoids for the week of November 29th – December 3rd

Monday, November 29 , 2010

UnitedHealth Group reported that more than half of all Americans could have diabetes or be prediabetic by 2020, according to CNBC.com. Approximately 4,110 people are diagnosed with the disease each day. Spending on these conditions could approach $500 billion by 2020, up from an estimated $194 billion this year. As of 2009, the average annual cost for a person with known diabetes (about 26 million Americans) was $11,700, vs. $4,400 for the non-diabetic person. The leading cause moving forward will be obesity. A record 235 medicines are in development to treat diabetes and related conditions.

Tuesday, November 30, 2010

The S&P 500 is comprised of 10 major sectors, 24 industry groups and 133 subsectors. While most of the attention is garnered by the performance of the 10 major sectors, industry returns can provide valuable insight as well. As of the morning of November 24, the S&P 500 was up 7.3% y-t-d. Thirteen groups were beating the index and 11 were lagging, according to Bespoke Investment Group. The vast majority of the laggards are more defensive in nature (health care, utilities & home products), which indicates that investors are buying into the economic recovery. The top eight performers were as follows: Autos (+44.3%); Consumer Services (+25.6%); Transports (+24.7%); Consumer Durables (+24.3%); Real Estate (+22.5%); Retailing (+20.6%); Media (+16.7%); and Capital Goods (+15.3%).

Wednesday, December 1, 2010

In November, the dividend-payers (370) in the S&P 500 (equal weight) posted a total return of 0.79%, vs. 1.00% for the non-payers (130), according to Standard & Poor's. Year-to-date, the payers were up 10.60%, vs. a gain of 8.91% for the non-payers. For the 12-month period ended November, payers were up 14.89%, vs. a gain of 16.82% for the non-payers. The number of dividend increases year-to-date totaled 221, up from 137 increases a year ago. Three companies decreased their dividends, down from 68 a year ago. One company suspended its dividend, down from 10 a year ago.

Thursday, December 2, 2010

Outstanding student loan debt grew around four-fold over the past decade to $833 billion as June 2010, eclipsing total credit card debt for the first time ever, according to Yahoo! Finance. In 2007, the number of loans that went into forbearance or deferment (borrowers receive temporary relief from payments) jumped 22%, up from 10% a decade earlier, according to The Chronicle of Higher Education. In 2008, the most recent year for data, more than 238,000 borrowers defaulted on their loans. More than 67% of students graduated with debt in 2008, up from 45% in 1993. The average amount was $24,000, according to the Project on Student Debt.

Friday, December 3, 2010

A recent LIMRA survey revealed that only 44% of U.S. households carry an individual life insurance policy, and 30% have no individual or employer-provided life insurance, according to *USA TODAY*. More than 40% of those families polled said they have not purchased life insurance because they have other financial priorities. Forty percent of families with children under age 18 said they would have immediate trouble paying expenses if the primary breadwinner died. Nearly 80% of families do not have a life insurance agent or broker.